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Japan

$9 Billion Gulf Aid Plan Announcement Delayed

OW2301124391 Tokyo KYODO in English 1232 GMT 23 Jan 91

[Text] Tokyo, Jan. 23 KYODO—Prime Minister Toshiki Kaifu on Wednesday cancelled a planned announcement that Japan will pay an additional 9 billion dollars to support the U.S.-led coalition of forces fighting Iraq in the Persian Gulf, officials said. The Japanese Government will announce the decision Thursday instead, the officials said.

Leaders of the government and ruling Liberal Democratic Party, who met in the evening to discuss Japan's assistance to the allied war effort, agreed on the amount of the aid but failed to reach accord on technical matters. The 9 billion dollars in aid will bring Japan's total contribution to the allied forces to 11 billion dollars, including 2 billion dollars already paid.

Japan is also planning to provide an additional 1 billion dollars in economic assistance to countries facing economic difficulties due to the Gulf crisis, boosting such Japanese aid to 3 billion dollars in total, Foreign Ministry sources said. This will bring Japan's total assistance to the multinational forces and affected countries to 14 billion dollars.

Further on Postponement

OW2301134091 Tokyo NHK General Television Network in Japanese 1205 GMT 23 Jan 91

[From the "NHK News 21" Program]

[Text] The Japanese Government has decided to allocate an additional $9 billion, equal to 1.18 trillion yen [Y], for the multinational forces engaged in the Gulf War. Furthermore, concerning the deployment of Self-Defense Force [SDF] planes for use in rescuing refugees, a decision has been made on a plan to facilitate the deployment by having the Cabinet revise the government regulations without revising the SDF law.

We will now ask our reporter, Fujimori, to give his report from the prime minister's official residence:

[Fujimori is shown reporting at the gate of the official residence] I am now at the prime minister's official residence. A conference of top government and Liberal Democratic Party [LDP] leaders at the official residence ended just a few minutes ago.

As a matter of fact, Prime Minister Kaifu was originally scheduled to hold a news conference later this evening at 2130 [1230 GMT] to officially announce the plan to earmark an additional $9 billion in support of the multinational forces. It was decided suddenly, however, to cancel the news conference because it was agreed that further cautious procedures should be taken within the government and the party on handling the issues of additional aid for neighboring nations as well as the sources of the funds before the additional support was officially announced.

Nevertheless, the government has decided on the basic plan, that additional support for the multinational forces has been set at $9 billion, amounting to Y1.18 trillion. Furthermore, a study will conducted on a plan to allocate $1 billion in aid to the neighboring nations.

Meanwhile, with regard to the deployment of SDF planes for use in rescuing refuges, an issue as important as that of the additional support for the multinational forces, because it is stipulated in Article 100 of the SDF Law that SDF planes can be used to transport what is determined by the relevant government regulation, SDF planes will be deployed on the basis of that article.

However, with regard to this plan, it has been pointed out not only by the opposition parties, such as the Japan Socialisty Party [JSP], but also within the LDP itself that it is questionable to decide on major changes in the tasks of the SDF merely by revising the government regulation without obtaining a Diet resolution. In this connection, it has been decided that cautious procedures will be followed. In this regard, the government plans to make its decision officially at a National Security Council session and a Cabinet meeting, possibly as early as tomorrow. This report has come to you from the prime minister's official residence.

Aid Plan Approved

OW2401025591 Tokyo KYODO in English 0240 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—The Government and the ruling Liberal Democratic Party (LDP) decided Thursday to provide 9 billion dollars in Japan's additional financial contributions to the U.S.-led multinational forces fighting Iraq, officials said.

They said government and party leaders also agreed to revise a government ordinance attached to the Self-Defense Forces Law to clear the legal barriers that prevent overseas dispatch of Air Self-Defense Force (ASDF) aircraft.

The Government plans to send ASDF aircraft to be used in evacuating refugees fleeing Iraq and Iraq-occupied Kuwait, the officials said.

Later in the day, Prime Minister Toshijki Kaifu will call the Security Council to have the decisions endorsed, they said.

Japan has already pledged 2 billion dollars to the 28-nation allied forces and another 2 billion dollars to the frontline nations hard hit by the Gulf war.

The Government and the LDP decided to provide fresh funds to the forces because of mounting criticism of

Japan for its "inadequate" contributions to international efforts aimed at restoring peace and stability in the Gulf region.

They also decided to send ASDF planes to help airlift war refugees as part of Japan's "physical support," the officials said. Under plans drawn up by the Defense Agency, five C-130 transport planes and some 200 SDF personnel will be sent to help in refugee rescue operations.

Money May Be Used for Weapons

OW2401072391 Tokyo KYODO in English 0704 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—Chief Cabinet Secretary Misoji Sakamoto on Thursday left open the likelihood that Japan's new pledge of 9 billion dollars to the U.S.-led multinational coalition fighting in the Persian Gulf may be used to purchase weapons and ammunition.

Sakamoto sidestepped the issue of how the additional aid might be spent, but in answering reporters' questions, did not rule out the possibility it would directly fund allied firepower.

Disbursement of the additional funds "will be decided upon consultation" with the Gulf Cooperation Council, a regional organization grouping the six oil-producing states on the Persian Gulf, and other countries concerned, Sakamoto said.

Deputy Chief Cabinet Secretary Nobuo Ishihara, in follow-up questioning, also did not rule out that the funds may be used for the acquisition of weapons and ammunition.

Japan's initial contribution of 2 billion dollars to the U.S.-led allied forces—in August and September last year—had been made at a time when the allied forces were still trying to avoid war, Ishihara said.

Government officials said at the time that Japan's financial aid to the multinational forces would be earmarked for expenditures not directly tied to war.

Ishihara said the situation has changed now that military operations have been initiated in accordance with United Nations Resolution 678.

The U.N. resolution, adopted on November 29, allows the United States and other nations to "use every means" to evict Iraq from Kuwait if it ignored the January 15 deadline to do so voluntarily.

Asked how a prolonged conflict may affect Japan's aid response, Sakamoto said, "we have no plans for further expenditures for the current fiscal year," ending on March 31.

But he said the government will act "appropriately" if the situation changes, an indication that further financial assistance would be forthcoming if the Gulf war stretched into the next fiscal year.

Ishihara said the question of SDF [Self-Defense Forces] personnel in the Gulf region to help evacuate refugees bearing small firearms for their protection is a matter to be decided by the director general of the Defense Agency.

The government decided to dispatch Air Self-Defense Force transport aircraft and crew for refugee work in addition to its financial pledge.

Iraq Warns of Possible Attack, Condemns New Aid

OW2401082891 Tokyo KYODO in English 0816 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—Iraqi Ambassador to Tokyo Rashid al-Rifai warned Thursday that Japanese military transport aircraft will be subject to attack if Japan sends them to evacuate refugees fleeing the Persian Gulf war.

The envoy also accused the Japanese Government of taking part in the destruction of Iraq by providing fresh financial aid to the allied war effort to evict Iraq from Kuwait.

Al-Rifai made the comments at a news conference held at the Iraqi Embassy shortly after the Japanese Government said it has decided to provide 9 billion dollars in fresh funds to support the allies in the Gulf war, which broke out on January 17.

Chief Cabinet Secretary Misoji Sakamoto announced early Thursday that the government will also revise a government ordinance to enable the Defense Agency to send C-130 transports to the Middle East to evacuate refugees fleeing from the war.

Al-Rifai gave no further details on how Iraq will retaliate against the Japanese plan to airlift the war refugees.

Iraq Says Decision 'Hostile'

OW2401114391 Tokyo KYODO in English 1118 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—The Iraqi ambassador to Tokyo on Thursday slammed Japan for providing fresh financial aid to the U.S.-led coalition forces and warned that any Japanese military aircraft sent to evacuate refugees fleeing the Persian Gulf war will be subject to attack.

"Any military vehicle will be a legitimate target," Ambassador Rashid al-Rifai said at a news conference held at the Iraqi Embassy. Clarifying the ambassador's remarks, a spokesman at the Iraqi Embassy said later, "any military plane in the battlefield or within the theater of operations will be a military target."

Al-Rifai was commenting on a government announcement that Japan was planning to send Japanese military aircraft to evacuate refugees trapped in the Gulf war. The Japanese Government also said it has decided to provide 9 billion dollars in fresh funds to support the allies in the Gulf war aimed at driving Iraq out of Kuwait.

Al-Rifai said Japan becomes a "responsible" party for the destruction of Iraq by providing fresh financial aid to the allied war effort, a move he described as "hostile." "From now on ... (Japan) will be responsible also for every drop of blood, every destruction that is caused in Iraq," Al-Rifai said.

Chief Cabinet Secretary Misoji Sakamoto announced early in the day that the government will also revise a government ordinance to enable the Defense Agency to send C-130 transport planes to the Middle East to evacuate refugees fleeing from the war.

Al-Rifai gave no further details on how Iraq will retaliate against the Japanese plan to airlift the war refugees. He also said Iraq will retaliate if Japan becomes directly involved in the allied war against Iraq. When asked what means Iraq may use to attack Japan, Al-Rifai answered, "we will send intercontinental missiles." He then broke into laughter.

MITI Says War Will Not Affect LPG Supply

OW2101113691 Tokyo KYODO in English 1057 GMT 21 Jan 91

[Text] Tokyo, Jan. 21 KYODO—The war in the Gulf will not greatly affect Japan's incoming supplies of liquefied petroleum gas (LPG) for quite a while, Ministry of International Trade and Industry (MITI) officials said Monday. The war will have virtually no impact on supplies up until late February, they said.

Stepped-up domestic production, different methods of shipping used in Saudi Arabia and other oil-exporting countries, and increased LPG imports by nations outside the Gulf will help keep supplies from falling after March, they said. A shortfall could also be offset by withdrawals from reserves, which should last about 70 days, they said.

Officials said the ministry sees no need to ease its rule requiring oil importers to keep stockpiles of LPG for 50 days for the time being. But it plans to lower that requirement if it judges around late March that the war will be a protracted one, they said.

Regarding naphtha, the raw material used in the production of petrochemical products, MITI does not see a shortfall in sight, they said. The country's naphtha supplies are guaranteed for at least 150 days, they said.

Under the altered method of shipping, Japanese firms will be able to procure LPG as they did prior to the war if foreigners are allowed to replace Japanese crew members when LPG shipments are loaded onto tankers at harbors in Saudi Arabia and other oil exporting nations in the area. Japanese crew members sail their tankers to safe eastern islands in the Persian Gulf region, where they are replaced by foreigners allowed entry into the harbors. The foreigners then return to the islands after loading the barrels of LPG from the ports onto the tankers, and are then replaced by their Japanese counterparts.

Companies To Reduce LPG Use

OW2201095791 Tokyo KYODO in English 0854 GMT 22 Jan 91

[Text] Tokyo, Jan. 22 KYODO—Electric power companies have decided to reduce their liquefied petroleum gas (LPG) consumption in anticipation of a possible shortage caused by the Persian Gulf war, industry sources said Tuesday.

Propane gas supplies to households may fall short of demand if the war drags on, the sources said. Japan consumed 18.5 million tons of LPG in fiscal 1989, of which 14 million tons came from the Middle East. The industry sources expressed serious concern over a sharp supply shortage after February shipments because imports from Saudi Arabia have become difficult due to the war.

According to their 1990 projections, total LPG consumption by four major electric power companies—Tokyo, Chubu, Chugoku, and Kyushu—was estimated at 850,000 tons.

The sources said the four companies plan to stop operating thermal power plants using LPG at night. They plan to switch to heavy oil and liquefied natural gas (LNG) to operate the plants during the daytime.

'Ample' Supply of Naphtha Despite Gulf War

OW2401103191 Tokyo KYODO in English 0953 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—The vice chairman of the Japan Petrochemical Industry Association said Thursday that the country has ample supplies of naphtha, despite the Persian Gulf war.

"In terms of volume, there is absolutely nothing to worry about," said Masaki Yoshida, pointing out the uninterrupted flow of imports of naphtha from Saudi Arabia and other oil producers since the start of the war, and ample stockpiles. Yoshida, also president of Mitsubishi Petrochemical Co., the biggest petrochemical enterprise in Japan, said that firms currently have two- and three-month supplies of the ingredient, which is used in making plastics. But he did caution consumers of petrochemical products against buying too much since fears of a prolonged war this week have created false demand for some goods like resin.

The price of naphtha, which fell along with crude oil prices immediately following the outbreak of hostilities last week, has recently risen. The price of naptha, which sank as low as 245 dollars per ton immediately after the start of the war, is currently trading around 280 dollars. It traded at the 300 dollar level prior to the eruption of hostilities.

Shipping Firms To Resume Service to Qatar

OW2301143591 Tokyo KYODO in English 0842 GMT 23 Jan 91

[Text] Tokyo, Jan. 23 KYODO—Management and unions at Japanese shipping companies agreed Wednesday to resume operations to Qatar ports, industry sources said.

The decision came as an easing of the present rules under which Japanese-flagged and Japanese-crewed vessels are advised against moving east of longitude 52 degrees, in effect barring service to the Persian Gulf. The advisory was issued soon after the outbreak of war in the Gulf under strong pressure from the Japanese Seaman's Union.

The sources said the agreement is based on a perception that the Qatar ports are relatively clear of the war. In a related development, the U.S. Navy issued an advisory Tuesday that the danger to commercial shipping in the Gulf has dropped since the outbreak of war.

Lengthy Gulf War Seen Slowing Down Economy

OW2201095891 Tokyo KYODO in English 0859 GMT 22 Jan 91

[Text] Tokyo, Jan. 22 KYODO—A protracted war in the Persian Gulf would put an added brake on the Japanese economy, already slowing down due to higher interest rates, a private think tank said Tuesday.

Sanwa Research Institute, the research arm of Sanwa Bank, predicted that Japan's economic growth for the new fiscal year would retreat to an inflation-adjusted 2.9 percent should the war drag on, cause severe damage to oil facilities, and cripple the crude oil supply.

But if the war ends quickly, the impact would be barely felt, with the economy expected to grow at an annual rate of 3.6 percent in fiscal 1991, starting in April, compared with the government target of 3.8 percent.

The institute said a war lasting more than three months would propel crude prices to 30-40 dollars per barrel and send the U.S. dollar to around 140 yen. Higher crude prices and a cheaper yen would conspire to rekindle inflationary pressure, sending wholesale and consumer prices up 6.0 percent and 3.3 percent, respectively, in the new fiscal year.

In order to check prices, the Bank of Japan (BOJ) would keep its monetary policy tight, further undermining economic strength. But in the case of a quick war, crude prices would stabilize at around 20 dollars per barrel, while the dollar would fall as low as 127.50 yen, the institute said.

This would translate into easier pressure on prices, giving the BOJ latitude to loosen its grip on credit, the best scenario for Japanese business managers now struggling under the weight of high interest rates.

War To Effect Yen-Dollar Rate

OW2301141091 Tokyo KYODO in English 1300 GMT 23 Jan 91

[Text] Tokyo, Jan. 23 KYODO - The yen-dollar rate will be locked in a narrow range should the Persian Gulf war remain at an impasse, currency dealers and analysts said Wednesday.

Seven foreign exchange experts contacted by KYODO NEWS SERVICE expect the dollar to move around 133 yen until the end of March, if the war drags on in a deadlock.

A stalled war, they said, would switch the market's attention from the Middle East situation to the flagging health of the U.S. economy, offsetting upward pressure on the dollar usually seen in times of international turmoil. But they agreed that their forecasts would greatly change depending on further developments in the Gulf.

Should the war end quickly, say, within February, the yen would surge as high as the 120 yen level though probably subject to concerted dollar-buying intervention by international monetary authorities, analysts say.

Yukio Mukoyama, an official at Fuji Bank, said, "A short war would make room for currency investors to focus on the U.S. economy." He put the yen-dollar rate for the next two months at 130-136 yen. If the war escalates and causes severe damage to oil facilities in the region, investors would buy the dollar, the "safe haven currency." But even in that case, most analysts predict the dollar would level off at around 140 yen, partly due to lingering concern over the weak economy.

War's Economic Effect Viewed

OW1801133891 Tokyo KYODO in English 1310 GMT 18 Jan 91

[Text] Tokyo, Jan 18 KYODO—The war in the Persian Gulf may put the end to Japan's second-longest period of postwar economic expansion as the chances of a short war seem to be rapidly receding, analysts said Friday. A protracted war would propel world oil prices, making it difficult for the Bank of Japan (BOJ) to ease its tight grip on credit, the chief factor behind the recent slowdown in the economy, they said.

The growing pessimism was prompted by Iraq's missile attacks on Israel Friday morning (local time) which, many believe, could lead to an escalated war. The analysts are skeptical of the Government's optimistic claims that abundant oil stockpiles and further energy-saving efforts will minimize the effect of a possible spiral in oil prices. If the war lasts for more than three months, prices of crude oil may shoot as high as 40 dollars per barrel, they predicted. "If there is a dramatic inflation in oil prices, there would be no avoiding an upsurge in wholesale and consumer prices," one analyst at a major commercial bank said.

Another worrying matter, the analysts say, is the yen-dollar rate. They expect that though the yen is now in strong demand, aided by initial expectations of a short war, the Japanese currency will suffer heavy downward pressure if the war is, in fact, prolonged and investors buy the dollar, perceived to be a "safe haven currency" in times of international turmoil.

As long as inflationary pressure remains, the central bank will not let interest rates decline, further undermining the strength of the economy, which has entered its 50th month of expansion, they said.

Saudi Crude Oil Output Drops Since War's Start

OW2401113291 Tokyo KYODO in English 1108 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—Saudi Arabia, the largest oil supplier in the Middle East, has apparently reduced its crude oil output by a sharp 2 million barrels per day to 6.5 million barrels per day, a Japanese oil industry source said Thursday.

If the reduction is sustained for a long period of time and the Persian Gulf war is prolonged, oil supplies to Japan will surely be affected, the source said. According to the source, who wished to remain anonymous, Saudi Arabia started reducing oil production soon after the outbreak of the war, especially from oil fields such as in Ras Tannurah Bay in the Persian Gulf. Those oil fields are likely to be targets of missile attacks by Iraq and Saudi Arabia might want to reduce production in such fields, he added.

Another motivation for the reduction might be to support the international crude oil market, which has been sluggish since the war started, he said. Crude oil prices have sharply dropped to around 15 dollars per barrel since the Gulf war broke out a week ago from the 30-dollars- per-barrel level before the war. A mild winter, combined with an economic slowdown throughout the world, has also hit the crude oil market.

Saudi Arabia's oil output accounted for about 8.4 percent of the total oil production in the world in 1989, the source said. The country's output was about 5.3 million barrels per day before the Middle East crisis began with the August 2 Iraqi invasion of Kuwait. Saudi Arabia increased its oil production in order to stabilize the international oil market, together with the United Arab Emirates, and increased production to 8.5 million barrels per day as of the end of December, according to the International Energy Agency.

However, the Saudi increase was mainly in heavy crude, for which demand is not as great as for light crude in a country like Japan, the source said, and shipment has become problematic as tankers cannot arrive in the major shipping ports in the Gulf. These facts also made Saudi Arabia decide to reduce production, the source said.

Japan has a long-term import contract with Saudi Arabia of about 350,000 barrels per day. Shipment of Japan's consumption for January was completed by January 17, before the war started, but shipment schedules for later than February are not yet clear, the source added.

Armacost Comments on War Mobilization Viewed

OW2401044491 Naha OKINAWA TIMES in Japanese 24 Jan 91 Morning Edition p 1

[Text] Visiting U.S. Ambassador to Japan Armacost held a news conference with Okinawan reporters, including one from the OKINAWA TIMES, at the U.S. Consulate General in Okinawa on the afternoon of 23 January. On the mobilization of U.S. Forces in Japan [USFJ] for the Gulf War, the ambassador said: "The U.S. Government, as an expression of its courtesy, has notified the Japanese Government of the mobilization of the USFJ for the the Persian Gulf. Approximately 7,000 troops, including small elements of the Air Force, have been sent to the Persian Gulf. Almost all of them were Marines."

The Japan-U.S. Security Treaty calls for prior consultations between the governments of Japan and the United States in the case of major changes in the deployment of the USFJ. Therefore, the ambassador's remarks at the news conference drew attention to the use of U.S. military bases in Okinawa for "launching attacks" in the Gulf war, requiring the prior consultations.

Regarding the ambassador's remarks, a Foreign Ministry official said: "We do not know the details of his remarks. We are aware of a U.S. announcement that elements of the USFJ would be sent to the Middle East. As to which ships and units have been sent to the Middle East, the government does not know. There have been no prior consultations between the two governments on this matter."

On the mobilization of the USFJ to the Middle East, the Foreign Ministry is of the opinion that "the mobilization is a simple movement, which does not concern problems involving the security treaty and cannot be subject for prior consultations between the two governments."

Since more than 10,000 Marines, including reservists, have been mobilized from U.S. military bases in Okinawa, the bases have, in effect, been used for "launching attacks" in the Gulf war. Therefore, the ambassador's subtle remarks, which may be taken as "prior consultations," are likely to trigger anew debates on problems involving the prior consultations system.

Facilities in Indonesia Receive Bomb Threats

OW2301142891 Tokyo KYODO in English 1412 GMT 23 Jan 91

[Text] Jakarta, Jan. 23 KYODO—The U.S. Embassy and four buildings housing American and Japanese companies in Jakarta received bomb threats Wednesday, but no explosives were found, witnesses and diplomats said.

Diplomats here said the U.S. Embassy got an anonymous call Wednesday morning threatening a bomb attack at the Embassy.

The Embassy was closed for about an hour as police searched for a bomb claimed to have been planted in the Embassy compound. No bomb was found, officials said. Similar calls and threatening letters have been received by the Embassy since the outbreak of the Persian Gulf war January 17, they said.

Last Friday, police defused a bomb placed in the residential compound of U.S. Ambassador to Jakarta John Monjo.

Also in the morning, workers were evacuated from the high-rise U.S. Citibank Building after another anonymous call threatening an explosion at the building. No explosives were found.

Later in the day, at the building of the state-run ANTARA NEWS AGENCY, which houses Bank of America and foreign news media bureaus, some 1,000 employees were evacuated because of a bomb threat. A source at the building reported that the caller said he was from an Iraqi group and that there was a bomb in the building.

Other bomb threats were received at the American Cultural Center and at the Mid Plaza Building, where Japan Airlines, Bank of Tokyo and a large number of other Japanese companies keep their offices.

The Japanese Consulate General in Medan, in northern Sumatra, received a letter Monday which threatened the mission would be destroyed unless Tokyo discontinues its financial assistance to the U.S.-led multinational forces battling Iraq in the Gulf war.

Indonesia, a predominantly Muslim nation, has officially condemned Iraq's invasion of Kuwait but has said it would only contribute personnel to a U.N. peacekeeping force.

Refugee Relief Supplies Arrive in Jordan

OW2301143091 Tokyo KYODO in English 1254 GMT 23 Jan 91

[Text] Amman, Jan. 23 KYODO—Food, blankets, and other supplies for refugee relief donated by Japan on Wednesday arrived in Amman, the capital city of Jordan, which anticipates a large influx of refugees caused by the Persian Gulf war.

Japanese Ambassador to Amman Tadayuki Nonoyama delivered the goods, comprising 9,600 cans of fish, 1,320 blankets, and 132 portable oil cookers, to Jordanian relief officials. Jordan has been asking other nations to supply emergency stocks, in anticipation of over 40,000 refugees crossing into the Kingdom from Iraq. The Japanese relief goods are the first such international aid to be received, officials said.

Trade Surplus Falls for 4th Straight Year

OW2201113391 Tokyo KYODO in English 1028 GMT 22 Jan 91

[Text] Tokyo, Jan. 22 KYODO—A growth in imports fueled by higher oil prices cut Japan's trade surplus last year for the fourth straight year while the December surplus was also down for the fourth month in a row, the Finance Ministry said in a preliminary report Tuesday.

The nation's December merchandise trade surplus, measured on a customs clearance basis, was down 13.2 percent to an unadjusted 5,388.5 million dollars from a year earlier, due mainly to the spurt in oil import prices, especially following the eruption of the Gulf crisis in early August, the ministry said.

Overall, the 1990 trade surplus fell 18.5 percent to an unadjusted 52,400.8 million dollars from the previous year, when it posted 64,328 million dollars. It was the fourth consecutive annual decline.

Japan's exports grew 4.3 percent in 1990, to 286,965.6 million dollars from 275,174.6 million dollars in 1989, helped by firm increases in ships and paper products, as well as in audio-visual equipment.

Imports, on the other hand, jumped 11.2 percent to 234,564.8 million dollars from 210,846.6 million dollars because of a sharp increase in the costs of oil imports.

The average price of crude oil was 22.28 U.S. dollars per barrel in 1990, up 33.3 percent from 16.71 dollars in 1989, according to the ministry.

This increase in imports offset the surge in exports to hold down the 1990 surplus, the ministry said.

Japan's trade surplus in 1990 with the United States, the main source of its bilateral trade imbalance, narrowed 15.4 percent from 1989 to 38,024.6 million dollars.

The shrinkage amounted to about 6.9 billion dollars, the largest such contraction on record, ministry officials said.

Exports to the U.S. fell for the first time in eight years by 3.1 percent to 90,311.8 million dollars.

Automobiles, Japan's main export to the U.S, declined 7.3 percent through 1990, although the value of the exports leveled off.

Exports of audio-visual equipment also dropped 16.7 percent, while shipments of semiconductors and integrated circuits fell 14.8 percent.

Overall exports to the U.S. were sluggish due to the country's lagging economy, they said.

Imports from the U.S. increased 8.4 percent to 52,287.2 million dollars, with aircraft imports nearly doubling. Auto imports were up 50 percent, they said.

The trade surplus with the U.S. accounted for 72.6 percent of the overall surplus in 1990, compared with 69.9 percent in 1989.

Trade with the 12-nation European Community (EC) also had a surplus of 18,446.9 million dollars in 1990.

But the surplus with the EC was down 6.8 percent from the previous year as imports boosted 24.6 percent to 35,063.5 million dollars.

Exports to the EC rose 11.7 percent to 53,510.4 million dollars.

Japan recorded a surplus with Asian countries of 22,228.4 million dollars, up 23.7 percent from the previous year.

Exports to the Asian region amounted to 88,814.1 million dollars, up 8.3 percent, while imports totaled 66,585.7 million dollars, up 4.0 percent.

Among major products, exports of ships recorded a 25.7 percent rise, paper and paper products followed with 23.7 percent, and audio-visual equipment with 12.1 percent.

Steel exports, meanwhile, dropped 15.4 percent.

Imports of aircraft jumped by 91.1 percent, autos by 53.8 percent and crude oil 46.5 percent. Imports of lumber, however, dropped 91.1 percent and pulp by 77.4 percent.

Japan's December trade surplus of 5,388.5 million dollars was 13.2 percent lower than a year earlier.

The December figure marked the fourth consecutive monthly decline following plunges of 35.6 percent and 30.4 percent in November and October, respectively, and a drop of 3.9 percent in September. In the last month of 1990, exports rose 14.7 percent to 28,291.1 million dollars, while imports zoomed 24.2 percent to 22,902.7 million dollars, due mainly to higher oil import prices, according to the ministry officials.

The price of crude oil averaged 32.77 dollars per barrel in December, up 83.5 percent from a year-earlier level of 17.86 yen.

The trade surplus with the U.S. fell 9.1 percent to 3,486.2 million dollars, while that with the EC rose 52.3 percent to 2,279.6 million dollars.

The surplus with the Asian region amounted to 3,002.2 million dollars, up 20.1 percent.

By product, exports of audio-visual equipment were up by 51.4 percent, of autos by 22.2 percent and of semiconductors by 10.6 percent.

No single product category showed a noticeable decline in the monthly export segment, the officials said. Among imports, airplanes jumped to about 5.9 times the year-earlier level, followed by a two-fold hike for crude oil and a 50.2 percent increase for liquefied natural gas (LNG).

The ministry used an average exchange rate of 131.03 yen to the dollar for calculating exports in December, changed from 143.91 yen in the previous year. The rate used to calculate imports was 130.86 yen, also changed from 143.83 yen in 1989.

The surge in the value of the yen against the U.S. dollar boosted the value of exports, but higher oil import prices apparently trimmed some of the growth in the nation's trade surplus in December.

Mongolia

Special Body To Help Distribute Necessities

OW2401075291 Ulaanbaatar MONTSAME in Russian 1436 GMT 23 Jan 91

[Text] Ulaanbaatar, 23 Jan (MONTSAME)—By a government decision, a special body has been introduced at certain enterprises and organizations in Mongolia. The adoption of this measure was necessitated by the irregularities that have occurred recently in the supply of certain consumer goods and food products to the population and because of a growth in speculation.

D. Ganbold, first vice premier of the MPR [Mongolian People's Republic], said in an interview with an ARDYN ERH correspondent that centralized planning of the economy has brought about a deepening shortage of goods. On the other hand, in conditions of democratization and economic reforms ties formerly existing between enterprises have been disrupted, while new relations have not appeared to replace them. This has caused difficulties in the normal operations of enterprises.

According to D. Ganbold, the government has introduced the body at approximately 20 enterprises and in trade organizations, as well as at auto transport bases engaged in transporting daily necessities. The distribution of some important goods by coupons has also been introduced, which will permit guaranteed supplies to the population and prevent speculation. D. Ganbold noted that the special body is being introduced for a period of up to six months and may be revoked if the situation normalizes. The special body also has been set up at some enterprises and organizations outside the capital in rural areas.

Bank Chairman Announces Price, Wage Hikes

OW2301053791 Ulaanbaatar MONTSAME in Russian 1453 GMT 17 Jan 91

[Text] Ulaanbaatar, 17 Jan (MONTSAME)—The Mongolian press is commenting extensively on the MPR [Mongolian People's Republic] Government's resolution on certain measures to transfer the country's economy to market regulations, aimed at perfecting the credit and financial mechanism, monetary circulation, and prices; improving the coordination between prices and wages; and ensuring rational relations in the market. In accordance with the resolution, measures are being adopted aimed at raising the procurement prices for basic kinds of agricultural products and establishing a ceiling on wholesale prices and tariffs in industry and the services sector. A list of goods and services for which prices and tariffs are set by the government has been drawn up.

The government's resolution envisages in particular a twofold increase in retail prices and tariffs on all kinds of goods and services and, correspondingly, a twofold increase in wages, pensions, benefits, scholarships, and other state payments to citizens. Naturally, this issue has attracted the special interest of citizens and, in connection with this, an ARDYN ERH correspondent asked G. Huderchuluun, chairman of the board of the MPR State Bank, to comment on how the aforementioned problem will be resolved.

G. Huderchuluun noted that a twofold increase in prices and tariffs, and a corresponding twofold increase in wages, pensions, benefits, and other grants will be carried out from 16 January of this year. If citizens have received advances on wages, pensions, or benefits due, they have the right to receive an additional payment increased twofold, for the period between 16 to 20 January and the end of the month. Pensions, benefits, and scholarships paid monthly will be paid in full with a twofold increase for the whole of January. Thereby the interests of citizens will not suffer.

According to G. Huderchuluun, bank savings deposits of citizens up to 10,000 tugriks are also subject to a twofold increase. If savings deposits exceed the aforementioned sum, then the deposit will be increased by only 10,000 tugriks. G. Huderchuluun noted that citizens with savings of 10,000 tugriks or less make up 96 percent of all depositors.

State Bank Raises Interest on Private Savings

OW2301041291 Ulaanbaatar MONTSAME in Russian 1447 GMT 17 Jan 91

[Text] Ulaanbaatar, 17 Jan (MONTSAME)—The main administration of the MPR [Mongolian People's Republic] State Bank released a statement today reporting an increase in bank interest on personal savings of citizens.

On 1 January, the State Bank introduced interest on personal savings differentiated according to the time of the deposits and raised bank interest on them by one to four percent over the previous level. One year deposits will get four percent, three year deposits will get five percent, and deposits of five or more years will get eight percent.

State Small Hural Debates Emigration Law

OW2401002891 Ulaanbaatar MONTSAME in Russian 1440 GMT 21 Jan 91

[Text] Ulaanbaatar, 21 Jan (MONTSAME)— A draft law on departure and emigration of citizens is being discussed at the second session of the MPR [Mongolian People's Republic] State Small Hural. According to legislators, the adoption of this law will become an important link in the development of democracy and in ensuring the rights of man in the genuine context of this word.

Moreover, the law will also serve to create favorable conditions for developing foreign trade ties, realizing foreign investments, and solving the problem of unemployment, said N. Ochirjab, member of the Standing Committee of the State Small Hural for State Construction, speaking at the session.

In his opinion, adoption of the law will provide a legal guarantee of the right of people to depart and emigrate. Previously, this issue was decided by administrative means which led to a restriction of the rights and opportunities of citizens to freely travel abroad and, when necessary, to emigrate. These distortions and restrictions of people's rights will be eliminated with the adoption of this law, he noted.

North Korea

Administration Council Urges South Response

SK1201113891 Pyongyang KCNA in English 1045 GMT 12 Jan 91

["South Korean Authorities Should Respond to Proposal for Convocation of Political Consultative Conference for National Reunification, Urges Administration Council Spokesman"—KCNA headline]

[Text] Pyongyang January 12 (KCNA)—A spokesman of the Administration Council of the Democratic People's Republic of Korea today issued a statement, in which he urged the South Korean authorities, though belatedly, to respond to the proposal to convene a political consultative conference for national reunification to define a way of reunification common to the nation and create conditions for the South Korean political parties, groupings and organisations to have contact and dialogue with us, looking squarely into the daily growing fervor of the fellow countrymen for reunification and renouncing their anachronistic and spplittist, confrontation-oriented wrong stand.

He said:

The premier of the administration council of the DPRK on January 8 sent a telephone message to the South Korean "acting prime minister" courteously asking him to correctly convey to the persons concerned the letter addressed to the authorities and representatives of political parties and organisations of South Korea which had been adopted at a joint meeting of representatives of the DPRK Government, political parties and organisations. The South Korean "acting prime minister," however, acted impudently. No sooner had he received our telephone message, without so much as consultation with the parties concerned, than he unilaterally refused to take over the letter and decried the proposal for negotiation and hurled groundles slanders at us.

I consider that this act of the South Korean person in authority is not only an anti-dialogue, anti-reunification act throwing a wet blanket over the growing desire of the nation for reunification, but also an intolerable challenge to us.

He in his telephone message on January 9, branded our proposal for the convocation of a political consultative conference for national reunification as "a product of a hostile revolutionary stratagem ignoring the reality of the North-South relations."

This time our side proposed that delegates of political parties and organisations as well as authorities in the North and the South sit together to define the method of reunification common to the nation. This is an expression of sincere efforts to achieve the reunification of the country in a peaceful way by means of confederation in a few years to come, representing the ardent desire and will of all the fellow countrymen for reunification. There is no "stratagem" here.

Contrary to this fair and aboveboard stand of ours, however, the South Korean authorities said they would induce somebody to "reform" and "opening" with a foolish dream of "unification of systems."

The South Korean authorities have persistently pursued the design of "unification by prevailing over communism," not giving it up any time, and are now resorting to "entreaty diplomacy" in a bid to realise fantastic "amalgamation through absorption" with the help of other countries.

In spite of this hard fact, the South Korean authorities are carping at our proposal to convene a political consultative conference for national reunification to define the method of reunification through dialogue, branding it as "a product of revolutionary stratagem." This is a challenge reminding us of a thief crying "stop thief!"

In the telephone message he repeated the old argument that the way of national reunification should be discussed and settled only between the authorities of the two sides. This is a very obtrusive behavior, indeed. We cannot but ask why the South Korean authorities are so fearful of the people, the internal force of reunification, playing a role of the master in the solution of the reunification question and why they suppress so harshly South Korean people of different strata who hold contact and dialogue with us, if they really have the intention to achieve national reunifiction, the cherished desire of the whole nation, and are interested even a modicum in reunification.

In the final analysis, the South Korean authorities try to make the reunification question a monopoly of their minority ruling quarters and totally exclude other people from the dialogue for reunification. This is a sinister intention to use dialogue as a means of maintaining their "power," obstruct reunification and seek a permanent division of the nation and fool and mock the nation with the reunifiction question which is related to the destiny of the nation.

In his first telephone message to us the man who had just become "acting prime minister" provoked us with unusually sharp words. It is rally a rude act against common sense.

It remains to be seen whether he will be "prime minister" or not. But his act makes us deeply wonder whether we could sit down together with him for a heart-to-heart discission of the reunification question and whether we could have talks with him with faith.

In a word, we cannot construe the telephone message sent by the South Korean person in authority otherwise than a division-oriented document refusing dialogue and reunification and a declaration of confrontation, a declaration of giving up dialogue, which is aimed at deliberately deteriorating North-South relations by means of recklessly getting on the dialogue partner's nerve and, further, rendering even the forthcoming North-South dialogues abortive.

Now is not a time to merely pay lip-service to "dialogue" and "unification".

We must not fail to accomplish the historic cause of national reunification before the year 1955 in which the 50th anniversary of national liberation and of national division falls and, to this end, must decide upon the common way of national reunifination by pooling the resource and will of the whole nation at an early date.

Availing myself of this opportunity, I express the hope that all political parties, all groupings and people of various strata of South Korea will readily respond to our proposal for the convocation of the political consultative conference for national reunification, mindful of weighty mission the have assumed before the nation.

Article Urges Reunification by Confederation

SK1801113491 Pyongyang KCNA in English 1009 GMT 18 Jan 91

["North and South Can Coexist in One Unified State"—KCNA headline]

[Text] Pyongyang Jan. 18 (KCNA)—NODONG SINMUN today runs a by-lined article titled "North and South Can Coexist in One Unified State."

It quotes the great leader Comrade Kim Il-song as saying in his new year address:

"If reunification is based on the national commonness which has been inherited down through history, the two systems can coexist within the bounds of one nation and one united state."

It further says:

The proposal of reunification through confederation meant to achieve reunification by establishing one reunified national state, with the different systems and governments in the North and South left intact, indicates a most realistic and fair way of reunification whereby to enable the North and South to get reconciled and united with each other as a nation of the same blood and thus achieve the reunification of the country peacefully at the earliest possible date.

We have already put forward the proposal for founding a democratic confederal republic of Koryo; it shows the way for the North and South to get united in order to build a unified national state, leaving the ideologies and systems in the North and South as they are.

For its feasibility and rationality the overture has enjoyed full approval and support the people in the North and South of Korea and the world after its publication.

Some people including the South Korean authorities claim that "homogeneity" must be restored for reunification as the North and South have become "heterogeneous."

This is a sophistry brought forward by those who seek permanent division of the nation to cover up and justify their criminal intention.

The North and South have existed separated for the past 40 odd years. But the national commonness has never changed; they are still homogeneous nationally.

Blood and language are the same as the Korean nation, which are most essential criterions characterizing a nation. Our nation is living in the land of Korea where the ancestors created a long history and culture. In other words, the North and South have undergone no change at all as the nation of the same blood. If there is any, it is the heterogeneity which has something to do with the two systems which have existed for the past 40 odd years; it offers no big problem in view of the national homogeneity which has been formed and consolidated for thousands of years. The difference between the two systems can never be the reason for our nation to live divided nor be an insurmountable obstacle in reunifying the country.

The point is not that the North and South have become "heterogeneous", but that the South Korean puppets are persistently pursuing the heterogeneity of the nation in a bid to create "two Koreas."

The Korean nation is an homogeneous nation of the same blood from old times. It is an honest and proud people who have glorified its long history and culture, courageously repelling aggression by foreign forces.

If the North and South put the national commonness in the foreground and settle the reunification question on this basis, they are able to achieve the reunification through confederation with no difficulties and they can coexist within the bounds of one united state as one nation. Our fellow countrymen in the North and South and overseas will bring earlier the day of national reunification by means of confederation by united efforts in hearty response to the tasks put forward by the great leader in the new year address.

Premier Yon Hyong-muk Greets Soviet Counterpart

SK1701121391 Pyongyang KCNA in English
1041 GMT 17 Jan 91

[Text] Pyongyang January 17 (KCNA)—Premier of the Administration Council Yon Hyong-muk sent a message of greetings to V.S. Pavlov upon his assumption of heavy responsibility as chairman of the Council of Ministers of the USSR.

Expressing the belief that the friendly and cooperative relations between Korea and the Soviet Union will develop in the interests of the two peoples, Premier Yon Hyong-muk wished his Soviet counterpart success in the work for the country's socio-economic development.

Foreign Ministry Official Meets Soviet Envoy

SK1101122491 Pyongyang KCNA in English
1037 GMT 11 Jan 91

[Text] Pyongyang January 11 (KCNA)—Kang Sok-chu, first vice-minister of foreign affairs, today met and had a conversation with Alexsandr Semenovich Kapto, new Soviet ambassador e.p. to Korea, who paid a courtesy call on him.

Kim Yong-Sun Meets Jiang Zemin in Beijing

SK1701064591 Pyongyang KCNA in English
0509 GMT 17 Jan 91

[Text] Beijing January 16 (KCNA)—Comrade Jiang Zemin, general secretary of the Central Committee [CC] of the Communist Party of China, met Comrade Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, and his party on a visit to China Wednesday in Zhongnanhai, Beijing.

The secretary conveyed cordial regards of the great leader Comrade Kim Il-song and dear Comrade Kim

Chong-il to respected Comrades Jiang Zemin, Deng Xiaoping, Yang Shangkun and Li Peng.

Comrade Jiang Zemin expressed deep thanks for this and asked the secretary to convey warm greetings of the leaders of the CPC and of his own to Comrade Kim Il-song and Comrade Kim Chong-il.

Recalling that he got deep impressions of Korea during his visit last year and there were visits of high-level delegations between the two parties and two countries of Korea and China in the same year, he said: This shows that our two parties, two countries and two peoples are in the friendly relations forged with blood.

Referring to the present complicated international situation, he stressed that no doubt, the relations were special and blood-sealed and no force on earth can break them.

The conversation proceeded in a comradely and friendly atmosphere.

Head Zhu Liang and deputy head Zhu Shanqing of the international liaison department of the C.C., the CPC, and Korean Ambassador to China Chu Chang-chun were on hand.

At the end of the conversation, Comrade Jiang Zemin gave a reception for the guests.

Beijing Talks Between WPK, CPC Reported

SK1701060391 Pyongyang KCNA in English 0443 GMT 17 Jan 91

[Text] Beijing January 15 (KCNA)—Talks were held in Beijing Tuesday between Kim Yong-sun, secretary of the Central Committee [CC] of the Workers' Party of Korea [WPK], on a visit to China and Zhu Liang, head of the international liaison department of the Central Committee of the Communist Party of China.

Present at the talks on our side were the secretary's party and Korean Ambassador to China Chu Chang-chun and on the Chinese side were Zhu Shanqing, deputy head of the international liaison department of the C.C., the C.P.C., and senior officials concerned.

The secretary's party was invited to a reception hosted Tuesday by the head of the international liaison department of the C.C., the C.P.C.

1991-95 Scientific Accord Signed With Poland

SK1401053191 Pyongyang KCNA in English 0449 GMT 14 Jan 91

[Text] Pyongyang January 14 (KCNA)—A 1991-95 plan of scientific cooperation between the academies of sciences of Korea and Poland was signed in Pyongyang Sunday.

It was signed by Vice-President of the Academy of Sciences of Korea Pak Yong-hyop and his Polish counterpart Adam Belrayanski.

KCNA Reviews 24 Jan Pyongyang Press

SK2401053591 Pyongyang KCNA in English 0441 GMT 24 Jan 91

[Text] Pyongyang January 24 (KCNA)—Papers here today report that the new year address of the great leader President Kim Il-song was carried by foreign newspapers and the inaugural issue of "THE U.S.-KOREA NEWS".

Appearing in NODONG SINMUN is a report that President Kim Il-song of the Democratic People's Republic of Korea received a message from Felix Houphouet-Boigny, president of the Republic of Cote d'Ivoire, in reply to his message of greetings on the national day of Cote d'Ivoire.

Conspicuous in the daily is a story that President Kim Il-song unfolded a grand blueprint of the postwar Pyongyang City construction in the period of the Fatherland Liberation War and wisely led it.

Given in papers is an account of a meeting held to mark the 30th anniversary of the on-the-spot guidance to Ihyon-ri by President Kim Il-song. He gave on-the-spot guidance to Ihyon-ri in Pyongyang municipality, on January 23, 1961 and personally attended the general membership meeting of the party organization of the ri, at which he expounded highly important tasks and ways to be held fast to in party work, work with people and in the development of the socialist rural economy.

Conveyed in papers are voices of South Korean people revering President Kim Il-song.

Works of dear Comrade Kim Chong-il were deeply studied in different countries, and foreign public praised his chuche-oriented theory on literature and art, says NODONG SINMUN.

MINJU CHOSON under the title "Song of Hearts Following the Party" devotes nearly one whole page to a story about the poets of the Korean Literary Production.

NODONG SINMUN comes out with an article headlined "Socialism of Our Own Style Is a Most Virile Society Steadily Developing on the Basis of Independence, Self-Sufficiency and Self-Reliant Defence."

Papers report about innovations being effected in the mining industry and railway transport and a vigorous campaign for increased production in the industrial domain of South Hwanghae Province.

Reported in the press is news that Korean Kim Song hui won the first meet of all-star world table tennis circuit held in Tokyo.

Papers give an account of the 14th plenary meeting of the central committee of the Korean Democratic Women's Union held to discuss the questions of further improving and strengthening ideological education among the members of the union in keeping with the requirements of the present situation.

Echoed in papers are voices from Benin, India, Jamaica and ther countries fully supporting the DPRK's new proposal for national reunification by means of confederation.

Papers report that South Korean students denounced the authorities for plunging into the Gulf war, the director of the labour department of the central committee of the South Korean National Democratic Front issued a statement to the press on the occasion of the first anniversary of the formation of Chonnohyop and the U.S. imperialists and the South Korean ruling group continued war manoeuvres.

An article of NODONG SINMUN says that the South Korean authorities are suppressing pro-reunification democratic forces under the cloak of "emergency security" on the pretext of the Gulf war.

The paper carries what foreigners said in praise of our superior and viable, advanced social system.

The minister of revolutionary culture and art of Madagascar in an interview with the KCNA correspondent said the cause of socialism wins one victory after another, reports the press.

Papers inform the readers that the All Latvian Committee for Public Salvation in a political statement declared the seizure of the state power in its hand and dissolution of the Supreme Soviet and government of the Republic, the Soviet procurators' office made public a statement on the recent acute domestic situation and the spokesman of the Soviet Foreign Ministry rejected the U.S. interference in Soviet media coverage of the Lithuanian situation.

According to NODONG SINMUN, Cuba is directing big efforts to the training of nuclear experts.

Papers report that Iraq shot down 178 planes of the U.S.-led multinational forces and declared its plan to mount a decisive attack, the U.S. forces and multinational forces air-raided Iraq's cities and their ground forces entered into an attack posture.

Under the caption "U.S. Strategy Fails and Gulf War May Be Prolonged" papers carry commentaries on it by foreign news media.

Rally Held To Implement Kim Il-song's Address

SK1701074491 Pyongyang Domestic Service in Korean 1300 GMT 14 Jan 91

[Excerpts] A workers' rally in South Hwanghae Province was held at Haeju Plaza to thoroughly implement this year's New Year address and recent teachings of the great leader Comrade Kim Il- song. [passage omitted]

Present at the rally were Paek Pom-su, responsible secretary of the South Hwanghae Provincial party committee and chairman of the South Hwanghae Provincial People's Committee, and (Chang Chun-wan), chairman of South Hwanghae Provincial Administration and Economic Guidance Committee, responsible functionaries of local party, government organizations, administrative and economic organizations and workers' organizations, and 50,000 workers of the province. [passage omitted]

Choe Kwang, Chang Chol at Anniversary Meeting

SK1701051991 Pyongyang KCNA in English 0415 GMT 17 Jan 91

[Text] Pyongyang January 16 (KCNA)—A national meeting to mark the 45th anniversary of the founding of the League of Socialist Working Youth of Korea [LSWYK] was held at the February 8 House of Culture this afternoon.

Present there were Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of the general staff of the Korean People's Army; Chang Chol, vice-premier of the Administration Council; and other senior officials as well as LSWYK members, youths and students in Pyongyang.

Choe Yong-hae, chairman of the Central Committee of the LSWYK, made a report at the meeting.

Noting that the LSWYK is a chuche-type revolutionary organization of young people with a glorious revolutionary tradition and a long and glorious history of struggle, the reporter said:

The great leader Comrade Kim Il-song put forward the line of building a sole mass democratic youth organisation and declared the formation of the Korean Democratic Youth League (renamed League of Socialist Working Youth of Korea in 1964) on January 17, 1946 to the whole world by energetically leading the preparations for the building of the league, shattering the obstructions of the opportunists of all hues.

The foundation of the Democratic Youth League was a shining fruition of the energetic activities of the great leader to form a mass youth organisation and a historical event which occasioned an epochal turn in our youth's social and political life and the development of the Korean youth movement.

Referring to the wise guidance of the great leader Comrade Kim Il-song and dear Comrade Kim Chong-il over the work of the LSWYK, he continued:

The LSWYK has been consolidated to be a reliable political reserve of the glorious Workers' Party of Korea and carried out successfully the honorable tasks assigned it by the party in each period and at each stage of the revolution thanks to the wise leadership of dear Comrade Kim Chong-il.

Today the party's monolithic ideological system and leadership system have been firmly established within the LSWYK. The whole ranks from the Central Committee to the primary-level organizations are consolidating themselves as an ideologically pure organism and a spotlessly pure and clean unit of loyalty which pulsate with the blood of chuche, breathe its breath and act according to it and do not allow the infiltration of any alien ideologies.

The reporter noted that the South Korean students who have been steeled and awakened in the fierce struggle for independence, democracy and reunification are waging more powerfully the sacred struggle for independence against the U.S., for democracy against fascism and for national reunification, directing the sharp edge of the struggle gradually to the U.S. imperialist aggressors, not yielding to the brutal suppression and crafty appeasement and deception by the U.S. imperialists and the South Korean authorities. He further said:

The LSWYK will in the future, too, as in the past, make every possible effort for unity and triumphant progress of the international youth movement as a whole and staunchly struggle to further develop friendly and cooperative relations with the progressive youth and student organizations around the world, prevent a war, preserve peace and build a new world, peaceful, happy and independent, in close unity with all the youth of the world under the banner of independence against imperialism and under the banner of socialism.

Noting that the LSWYK and young people are confronted with the honorable task to carry to completion the revolutionary cause of chuche, he continued:

Dear Comrade Kim Chong-il said:

"Today the Korean youth are confronted with the noble task to inherit and develop under the leadership of our party the revolutionary cause of chuche pioneered and led by the great leader Comrade Kim Il-song."

All the youth organizations and young people must courageously carry forward the cause of modelling the whole society on the chuche idea under the leadership of the party, pulling through all difficulties and trials, single-heartedly rallied behind the great leader and the dear leader.

The youth and students who cherish justice and truth and have a strong fighting power must stoutly prepare themselves to be strong communist revolutionary fighters who strictly adhere to the class position and the revolutionary principle under whatever circumstances and defend the banner of socialism to the last, smashing the manoeuvres of the imperialists and their stooges.

All the LSWYK members and other young people must dynamically turn out in the noble struggle for national reunification in hearty response to the new reunification proposals advanced by the great leader in his new year address and do all they can to make the 1990s a decade of national reunification without fail.

Next, U Ho-il, vice-chairman of the Central Standing Committee of the League of Korean Youth in Japan, made a congratulatory speech.

Stressing that there will always be a victory and honor on the road ahead of the movement of the Korean youth in Japan who are marching forward under the guidance of the dear leader Comrade Kim Chong-il, he stated that the Korean youth in Japan will devote all their youthful zeal, wisdom and strength to the worthy patriotic struggle for accomplishing the cause of chuche.

Greater Victory in Socialist Construction Asked

SK1401114391 Pyongyang KCNA in English
1017 GMT 14 Jan 91

[Text] Pyongyang January 14 (KCNA)—NODONG SINMUN today editorially calls upon the entire people to vigorously advance for a new greater victory in the march for socialist construction and acceleration of national reunification this year with the might of single-hearted unity.

The editorial quotes the great leader Comrade Kim Il-song as saying:

"Our tasks this year are enormous, but they can be carried out successfully if all the people work hard, united closely behind the party. We have shaped the victorious path by overcoming difficulties and trials on the strength of single-hearted unity. This is the tradition of which we are proud."

The editorial says:

A great single-hearted unity of the party and the people has been achieved in our country today. The whole party and the entire people have been welded into a solid socio-political organism by uniting with each other ideologically and purposefully with comradely ties around the respected leader Comrade Kim Il-song and dear Comrade Kim Chong-il. This is great revolutionary traits of our society and our highest honor and pride. The unity and cohesion of the party and the people, a driving force of our revolution, is a mighty force that pushes forward the building of socialism.

The entire people have saved the victorious path of socialism by overcoming manifold difficulties and trials, united with a single heart around the party and the leader. This is our precious tradition.

When our people continues shouting hurrah of victory in socialist construction by staunchly fighting in close unity behind the party and the leader, the anti-DPRK, anti-socialist rows of the imperialists will become impotent and superiority and attraction of socialism will be further displayed and the validity and vitality of the chuche idea be proved.

Our party members and other working people should, first of all, deeply cherish high consciousness and responsibility to add shine to the precious tradition of the victorious advance of our revolution and socialist construction with the might of single-hearted unity.

Single-hearted unity is most precious gain of our revolution and it is the unbreakable will of our party to carry forward and glorify the tradition of hewing the path of revolution on the strength of unity. Tomregard the intention of the party as one's creed is the requirement of the noble life and great honor for those who make revolution.

What is important in pushing ahead with socialist construction by adding lustre to the tradition of single-hearted unity is to consolidate as firm as a rock the political and ideological unity of the whole society.

Our single-hearted unity is the rock-firm ideological and intentional unity of the entire people behind the leader on the basis of one idea, the chuche idea.

In order to push ahead with socialist construction by enriching the tradition of single-hearted unity, it is necessary also to fully display comradely unity and communistic collectivist traits.

Our single-hearted unity is comradely unity in which all the members of the society struggle side by side, helpimg and pulling each other along on the principle of "One for all, all for one".

Astounding miracles are wrought in all domains of socialist construction when all our officials and working people fully display the traits of comradely cooperation and unity, though their posts and revolutionary tasks differ from each other in socialist construction.

NODONG SINMUN Says Socialism 'Virile'

SK2401112191 Pyongyang KCNA in English
1010 GMT 24 Jan 91

[Text] Pyongyang January 24 (KCNA)—NODONG SINMUN today comes out with a signed article entitled "Socialism of Our Own Style Is Most Virile Society Steadily Developing on the Basis of Independence, Self-Sufficiency and Self-Reliant Defence."

The article quotes the great leader Comrade Kim Il-song as saying:

"The socialism of our own style which has been built by our people by their own efforts under the party's leadership is a society truly of the people, a society in which everything serves the people; it is the most virile society which is steadily developing on the strong basis of independence, self-sufficiency and self-reliant defence."

It continues:

The vitality of society is guaranteed by the creative initiative of the masses and the might of the solid unity of the party and the masses behind it.

The socialism of our own style is a virile society, as all people are dynamically building socialism, closely rallied behind the party.

The vitality of our socialism is displayed in its advance through difficulties and trials under any situation and circumstance.

Socialism continues to advance unswervingly and victoriously in our country which is in direct confrontation with U.S. imperialism, at a time when the imperialists are making vociferous propaganda about "crisis of socialism." This is a great demonstration of the vitality of our socialism.

The socialism of our own style is a virile society which is steadily developing despite manifold difficulties, as it has been built through the establishment of chuche.

Ours is socialism which has been built through the establishment of chuche and well represents the principles of independence, self-sufficiency and self-reliant defence.

Our socialism is the most virile society which is steadily developing, first of all, because it realises independence in politics.

Independence in politics is a decisive requisite for a virile society.

The vitality of socialist society is guaranteed by the militancy and leadership ability of the party, the guiding force of society.

As dear Comrade Kim Chong-il said, the party is the heart of society and the driving force transforming the whole of society on revolutionary and communist lines.

Our party independently works out and implements all its lines and policies in conformity with the interests of our people and the actual conditions of our country.

The independent politics of our party enjoys undisputed support from the masses, enabling it to strike its roots ever deeper among the masses.

Our socialism is the most virile society also because it realises self-sufficiency in the economy.

Our independent national economy has developed into a powerful economy which can firmly support itself, not wavering under any circumstance.

Our socialism is the most virile society which is steadily developing, also because it realises self-reliance in defence.

In our country which is in direct confrontation with the U.S. imperialists, confident promotion of socialist construction is unthinkable apart from self-reliance in national defence.

The socialism of our own style is, indeed, shining as a virile society with a strong potential because it has been built through a strict application of the principles of independence, self-sufficiency and self-reliant defence.

Officials Lay Wreaths at Martyrs Memorial Site

SK1201121791 Pyongyang KCNA in English 1102 GMT 12 Jan 91

[Text] Pyongyang January 12 (KCNA)—Senior party and government officials, working people and people's army soldiers today laid wreaths before the bronze bust of Comrade Kim Hyong-kwon, an indomitable communist revolutionary fighter, in the Revolutionary Martyrs Cemetery on Mt. Taesong on the 55th anniversary of his death.

Comrade Kim Hyong-kwon (November 4, 1905-January 12, 1936) embarked on the road of revolution at his young age and performed great feats in the preparations for the anti-Japanese armed struggle at an important post of the Korean revolutionary army, upholding the lofty intentions of the great leader Comrade Kim Il-song.

Wreaths sent by the great leader President Kim Il-song and dear Comrade Kim Chong-il were lying before the bust.

Present on the occasion were Kye Ung-tae, Choe Kwang, Choe Tae-pok, Kang Hui-won, Kim Chang-chu and other officials, working people in the city and People's Army soldiers.

Amid the playing of the wreath-laying music, wreaths were laid in the joint name of the Central Committee of the Workers' Party of Korea, the DPRK Central People's Committee and the Administration Council and in the name of the commissions and ministries of the Administration Council, central organs, party and power bodies and administrative and economic organs of Pyongyang, units of the Korean People's Army, enterprises and cooperative farms.

Those present observed a moment's silence, looking back with deep emotion on the immortal exploits performed by Comrade Kim Hyong-kwon in the struggle for the liberation of the country and freedom and happiness of the people.

Senior officials of party and power bodies, administrative and economic organs, working people's organizations, other organs, enterprises and co-op farms and commanding officers of units of the Korean People's Army, working people and People's Army soldiers in Yanggang and South Hamgyong provinces also laid wreaths and bunches of flowers at the foot of the bronze statues of Comrade Kim Hyong-kwon in Kim Hyong-kwon County and Hongwon County today.

Literary Workers Inspired by Kim Chong-il

SK1701162791 Pyongyang KCNA in English 1518 GMT 17 Jan 91

[Text] Pyongyang January 17 (KCNA)—An unprecedented creative upsurge is being effected among literary men of Korea.

Writers and poets of the Korean Literary Production have created more than 50 lyric poems, some 20 short stories and several fine words of songs and have made a great success in writing dozens of medium- and full-length novels in a matter of ten days since they received a reply letter from dear Comrade Kim Chong-il, said director of the production Kim Pyong-hun.

On December 27 last year, Comrade Kim Chong-il read a letter of the poets of the production carrying their oath to remain loyal to the Workers' Party of Korea for ever and sent a significant reply hoping the entire staff of the production would be an eternal companion, a faithful helper and a good adviser in the building and activities of the party.

The works written in ten odd days entering the new year well show the invincible might of the Korean people united with one mind around Comrade Kim Chong-il, the greatness of the Workers Party of Korea and the faith and will of the people to share the destiny with the party for ever.

"Attracted By His Personality" (by An Chang-man), "On the Road of New March" (by Chong Song-hwan), "The First Step" (by Chon Pyong-ku) and other lyrics depict with refined words the pride and honor of our people having Comrade Kim Chong-il as their leader and their pledge to devote their body and soul to accomplishing the cause of the party. They won appreciation as masterpieces in poetry literature.

Novelist Yi Ho-in completed the writing of a medium-length novel "Desire of the Times" (tentative), which portrays Mototeru Kamo, a Japanese gardener who bred kimjongilia, widely known to the world as an immortal flower, through his energetic research and painstaking efforts for 20 years.

Novelist Kim Sam-pok finished a full-length novel "Monument" (tentative), a story about the heroic endeavours of constructors of the capital who built 260 odd monumental edifices in a little more tham two years at the end of the '80s under the energetic guidance of Comrade Kim Chong-il.

Besides, works reflecting the noble communist virtues of Comrade Kim Chong-il and his feats of guidance such as the epic "May the Sun of Guidance Shine Through all Ages" (tentative) by O Yong-chae, the juvenile epic "Boundless Happiness" (tentative) by Min Pyong- chun and a collection of legends "Legends of the Bright Star Over Mt. Paektu" (1) [as received] by Kim U-kyong have also been completed one after another.

The novelists set themselves a goal of writing scores of novels this year and are now working with a zeal. Among them are "Northern Railways" (tentative) by Ho Chon-sik, "New Land" (tentative) by Hyon Hui-kyun and "A Story About Youth" (tentative) by Kim Hong-mu.

In their works of different themes they vividly represent the true aspects of Korea where the leader, the party and the masses are united with one mind and the optimistic life of the Korean people who are building socialism with the conviction of sure victory.

Construction of Key Industries Stepped Up

SK1501233191 Pyongyang KCNA in English 1509 GMT 15 Jan 91

[Text] Pyongyang January 15 (KCNA)—The construction of key industries is progressing fast in Korea.

The great leader President Kim Il-song in his new year address said that in the domain of construction the building of the Sariwon potassic fertilizer complex, the October 9 general steel works, power stations and other projects which are of vital importance in strengthening the chuche character of the national economy and in securing the major objectives of the present Seven-Year Plan (1987- 1993) should be stepped up with redoubled efforts.

Builders of the country are creating a new speed of construction from the beginning of the year in their drive to fulfil these tasks.

The constructors of the Sariwon potassic fertilizer complex which will turn out hundreds of thousands of tons of potassic fertilizer and aluminium each and more than 10 million tons of cement a year are looking ahead to a bright prospect, confident of the preschedule completion of the project for producing the first potassic fertilizer from the rotary kiln No. 1 in a short time.

The speed has been doubled in the construction of the exuding and cleansing shop of after-treatment system, the underground setups of the coal transport system of the thermal power plant and the laying of 16 kilometre long railway.

The builders of the October 9 general steel works with an expected production capacity of 2 million tons are topping their daily assignments 20 percent, having set themselves the goal of completing 24 projects including the steel shop, the dust-absorbing place, the scrap iron processing ground, the limestone calcining kiln and raw material carrying system within this year.

They completed the groundwork of electric furnaces Nos. 1 and 2 in a short time and assembled thousands of tons of steel structures while hastening the groundwork concrete tamping for the continuous roughing machines.

The power station constructors are propelling the construction of ten odd large-size hydraulic and thermal power plants and hundreds of minor power stations simultaneously in all parts of the country.

The builders of the Namgang power station are increasing the speed of dam construction to complete it before the July-August rainy season and those of the Kumyagang and Orangchon power stations have buckled down to the excavation of dam groundwork audaciously.

The builders of the East Pyongyang thermal power plant and the December thermal power plant are overfulfilling their enormous daily quotas in the construction and assembling the equipment.

Meanwhile, minor power stations suited to local conditions are cropping up rapidly through a massive movement.

Ministry Reports Railway Freight Statistics

SK1701103391 Pyongyang KCNA in English 1009 GMT 17 Jan 91

[Text] Pyongyang January 17 (KCNA)—Railway freight turnover is on an increase in the Democratic People's Republic of Korea.

According to data available at the Ministry of Railways, 206,000 more tons of goods were carried in the first ten days of this year than in the like period of December last year, taking the ministry as a whole.

The General Bureau of Western Railways set itself a high goal of carrying out its yearly transport plan, 12.3 percent higher than last year's, ahead of schedule. These days it is transporting 2,000-3,000 more tons of freight than planned on a daily average.

Successes have been reported also from locomotive corps and railway stations under the General Bureau of Eastern Railways.

The Tanchon Coach and Waggon Service Brigade, the Hamhung Railway Corps, Kowon and Tanchon Youth Railway Stations are carrying out their daily quotas at 120 percent by doing well with repairs of waggons, the repair and readjustment of railways and organization of transport.

50,000 more tons of goods were carried in the last ten days than in the corresponding period last year under the General Bureau of Eastern Railways.

In this period, the General Bureau of Kaechon Railways hauled 42,000 more tons of goods than had been planned.

Farming Preparations Underway in Rural Areas

SK1601103991 Pyongyang KCNA in English 1015 GMT 16 Jan 91

[Text] Pyongyang January 16 (KCNA)—Preparations for this year's farming are making headway briskly in rural communities of Korea.

According to data available at the agricultural commission, 58 percent of the planned area of nonpaddy fields had been carpeted with humus soil as of January 13, taking the country as a whole.

In South Pyongan Province humus-soil carpeting had been carried out in 79 percent of the total area of nonpaddy fields.

Meanwhile, the production of home-made manures is going on successfully. In the first ten days or more of this year 3.8 million tons of manures had been produced and 3.3 million tons carried out to the fields in the countryside.

In this period far more materials for rice-seedling beds including windbreak straw have been prepared earlier than in the like period last year.

Various Relics Unearthed at Mt. Kumgang

SK1501104591 Pyongyang KCNA in English
1002 GMT 15 Jan 91

[Text] Pyongyang January 15 (KCNA)—Various relics were unearthed recently in Mt. Kumgang of Korea which is widely known to the world as a scenic spot.

There are in the mountain the Pyohun Temple built in 670, the Chongyang Temple built in 600 and the bell of Yujom Temple made in 1729, which weighs 7.2 tons, and other historical relics and monuments showing the creative efforts and artistic talent of the ancestors.

Under the correct policy of the Workers' Party of Korea for the preservation of cultural relics, ten odd gold-plated bronze Buddhist figures, pieces of silk, beads, jewels, and medicines have been discovered in recent years in the area.

The latest discoveries in Naegang-ri, Kumgang County, include six gold-plated bronze Buddhist figures, one gold-plated bronze Buddhist figure presented to a temple, a cushion for Buddha, pearl beads and 50 odd nickel trinkets.

The gold-plated bronze figures 7 to 12 centimetres in height are more correct in the bodily proportion and facial expression and garment ornaments are more exquisite than the earlier discoveries. Letters indicating 1453 are engraved at the base of the Buddhist figure.

The Buddha's cushion with a lotus embroidered with black silk thread is still fresh in colour and look.

Scholars gather that the relics discovered this time belong to the early period of the Yi Dynasty from their craft of depiction and manufacturing technique and the letters showing the year, and regard them as precious things showing the development of plastic art in those days.

Ancient Ceramic Kilns Unearthed

SK1701163091 Pyongyang KCNA in English
1527 GMT 17 Jan 91

[Text] Pyongyang January 17 (KCNA)—The Institute of Archeology of the Academy of Social Sciences recently unearthed four celadon kiln sites and many relics, which date back some 1,000 years, in Wonsan-ri, Pongchon County, South Hwanghae Province.

The plottage of the kiln sites is 6,000 square metres.

The kilns are of two shapes. One of them is an oval one-room kiln with a fireplace and a chimney, built in a one-metre long tunnel with a dome (kiln No. 1). The other is a longish dome kiln (nearly 40 metres long) with a fireplace and a chimney installed in a depression on the slope of a mountain, walled by bricks on both sides (kiln No. 2). Many pieces of celadon such as bowl, plate, dish, kettle, cup and pot as well as instruments used for the production of celadon were also unearthed at the kiln sites.

Inscribed on one piece of celadon are the words "A memorial service vessel for room No. 4 of the royal shrine made by manufacturer Wang Kong-tak in the third year of Sunhwa (992)."

There had been unearthed many Koryo celadon kiln sites. But this is the first piece of celadon bearing the year of making, the use and the name of the maker ever discovered at a production site.

Scientists say one of the four kiln sites is believed to belong to the period before the Koryo Dynasty, judging from its structure and the relics unearthed there.

The newly discovered kiln sites and relics are of great importance in the researches into the origin of Korea's ceramic ware and its development.

South Korea

Maslyukov Reiterates Support for North's Goals

SK2401120491 Seoul CHOSON ILBO in Korean
24 Jan 91 p 2

[Article by Political Department reporter Kim Sung-yong from the "Reporter's Memo Book" column: "Maslyukov's Remarks"]

[Text] "We have been urging North Korea to sign the nuclear safeguard agreement, but we fully appreciate the North Korean position that this should be preceded by U.S. assurances that the nuclear weapons possessed by the U.S. Forces in the ROK will not be used against North Korea."

"According to the Soviet-North Korea Treaty on Friendship, Cooperation, and Mutual Assistance, the Soviet Union will continue to supply North Korea with defensive weapons in the future as well."

This is the fundamental position of the Soviet Union on the issue of the Korean peninsula proclaimed by the Soviet Deputy Premier Maslyukov on 22 January upon conclusion of the $3 billion ROK-USSR economic cooperation talks. In his closing address at the meeting on that day, he emphasized this position of the Soviet Union as much as the Soviet expectations of the ROK-USSR economic cooperation in the future, reiterating at the news conference that followed the need for denuclearization on the Korean peninsula and the "rationale" for the Soviet supply of weapons to North Korea.

These remarks that he made really perplexed the reporters at the news conference, for there was a great contrast between the attitude of the Soviet Union, which seemed to swagger even as it received the $3 billion loan, and the attitude of our government, which seemed to be a patsy to the Soviet Union in giving money to it. We had a feeling that our expectations of the ROK-USSR relations were falling apart.

Thinking about it calmly, we note that Maslyukov's remarks are not much different from the position taken by the Soviet Union up to now, because they are follow the same line as the assertion of Medvedev, member of the Soviet Presidential Council, on the denuclerization of the Korean peninsula when he came to Seoul last December immediately before the Moscow summit. They also follow the position of the Soviet Union as expressed by Soviet Deputy Foreign Minister Rogachev at the ROK-USSR political consultative meeting held early this month.

The problem we should note here is our incorrect perception of the situation, whereby we made the miscalculation that the Soviet Union would take the ROK's side on all the issues of the Korean peninsula from now on. The government has often publicized, every time there was an opportunity for the improvement of ROK-USSR relations—from the San Francisco talks to the Moscow summit—that the Soviet Union would probably help solve the issues of the Korean peninsula, taking a very friendly position toward the ROK.

This excessive publicity conducted by the government confused us enough to think that the Soviet Union might take some measures compelling North Korea to sign the nuclear safeguard agreement and totally suspend supplying weapons to North Korea.

Deputy Premier Maslyukov on that day said, "The Soviet Union has always stressed in all its contacts with the United States that the United States should withdraw the nuclear weapons that the U.S. Forces in the ROK have," stressing, "The weapons we have supplied to North Korea are all defensive weapons." However, no one believes that the Soviet modern MiG's and the missiles that North Korea has are only "defensive" weapons. It is useless to say that there is a distinct difference between offensive and defensive weapons.

Of course we can overlook these remarks as "diplomatic rhetoric" with North Korea in mind, but the aforesaid remarks by Soviet officials reveal a significant difference from the "epochal agreement for the alleviation of tensions on the Korean peninsula" which the government authorities had publicized so much.

In short, it has been reconfirmed by Maslyukov's remarks that the Soviet Union wants to develop its economic cooperation with the ROK but that it will not abandon its existing ties with North Korea in political and military issues, thereby pursuing the policy of maximizing its national interest. The situation being thus, the government should not make the mistake of infusing inaccurate expectations and "fantasy" with more accurate awareness of the actual situation of the ROK-USSR relations.

With the establishment of diplomatic relations with the Soviet Union and the improvement of relations with China, our country initiated a "genuine diplomacy" for the first time in history. However, Maslyukov's remarks eloquently show that we should maintain a more coolheaded approach despite the successes.

First Loans to USSR Set for Next Six Months

SK2301031491 Seoul YONHAP in English 0147 GMT 23 Jan 91

[Text] Seoul, Jan. 23 (OANA-YONHAP)—South Korea will provide at least 500 million U.S. dollars, the first set of loans committed to the Soviet Union as an economic cooperation package, in the first half of the year with interest rates based on OECD [Organization for Economic Cooperation and Development] and LIBOR (London Inter-bank Offered Rate), the Finance Ministry said Wednesday.

To raise the first batch of cash loan through a syndicate, the government will initially supply the cash to domestic banks in order to avoid massive borrowing from abroad, Ministry officials said.

The Ministry and local banks are drawing up distribution plans for the 3 billion U.S. dollar loan to the Soviet Union, of which 1.5 billion dollars will be tied to Soviet purchase of South Korean consumer goods and raw materials, 500 million dollars in deferred payment, and 1 billion dollars in bank loans.

The package was announced Tuesday following the second Korea-Soviet economic consultation talks. Tied loan and deferred payment interest rates will be equivalent to OECD's 9 percent per annum with 2 year redemption period for tied loan and 8 and half year for deferred payment, according to the officials.

Bank cash lendings will be charged about 1 percent higher in interest than LIBOR and payable in eight years, with three-year grace period and five-year payment in installments.

Some 10 domestic banks will take part in syndicated loans, with the Korea Development Bank serving as the lead manager, they said. The domestic banks will be initially dipping into the government's foreign exchange equilibrium fund in making the loans to the Soviet Union in order to avoid massive, simultinuous borrowings from abroad.

First cash loan of 500 million dollars is planned during first quarter of this year with another 500 million dollars in the third quarter.

The fund will supply up to 90 percent of the cash loans while the banks will provide the rest through short-term credits. The banks will be paying back into the fund when international finance market is more favorable, officials said.

The Soviet Government will be issuing payment guarantee for the cash loans, with Vanesheconom Bank (International Bank for Economic Cooperation) in charge of managing the loans.

To minimize risks of the domestic banks involved in the loan, the government will be issuing credit guarantee to the banks with the approval of the National Assembly, officials said.

Loan to Soviet Union Analyzed

SK2201090491 Seoul YONHAP in English 0804 GMT 22 Jan 91

[By Yi Tong-min: "Korea-Soviet Ties Expected To Diversify Through Economic Accord"]

[Text] Seoul, Jan. 22 (OANA-YONHAP)—South Korea and the Soviet Union, barely four months after diplomatic normalization, settled one crucial element of their ties Tuesday with the announcement of a 3 billion-U.S.-dollar loan to Moscow. The loan, announced at the end of the second round of Korea-Soviet economic consultations, virtually ties up the loose ends of normalization, in which it was no secret that the lure of hard cash had played a vital role.

Negotiations on the package began even before the two nations normalized relations Sept. 30 as Kim Chong-in, senior presidential secretary for economic affairs, visited Moscow in August for the first round of consultations.

With the agreement now in hand, Korean officials expect economic cooperation and exchanges to develop in a mutually beneficial fashion, with the Soviet Union supplying natural resources and Korea providing financial support for Soviet President Mikhail Gorbachev's economic reforms.

Concerns remain that while Korea may have succeeded in opening non-political doors to the Soviet Union with the agreement, the practicality and success of the accord await final judgement.

The loans to Moscow will be a burden on Korea, especially as they come at a time when the country is expecting a trade deficit of approximately the same size. Korea must borrow the money at high international interest rates.

The deal is also likely to raise eyebrows among U.S. trade officials, who are being told Korea faces worsening trade conditions and thus cannot expedite market liberalization.

The 3 billion dollars, to be handed over during the next three years in different forms, comes as no surprise. Reports since June, when the first Korea-Soviet summit was held, have said Seoul was considering between 2.5 billion and 3 billion dollars in loans to Moscow.

The cash, except for straight bank loans of 1 billion dollars, is either in the form of trade credits or tied loans for Korean products and facilities that the Soviet Union will buy.

They are no different from export contracts for consumer goods and production plant, analysts here say.

Noteworthy is the selection of 53 consumer articles for joint production, mostly household appliances ranging from refrigerators, washing machines, televisions sets and VCRs to radios and sewing machines.

The agreement paves the way for scientific and technological tie- ups, which officials here welcome as breathing space amid the tight technology protection insisted upon by nations such as Japan and the United States.

The pact includes specific dates and outlines for cooperation in this field, such as the first Joint Atomic Energy Committee meeting in March and the first science-technology ministers' meeting in May, both in Seoul.

The Soviets were also favorable to the idea of opening the Bering Sea and waters southeast of the Kamchatka peninsula to Korean fishing boats, another fruit of the consultation.

Korean officials reason that in view of the entire package, the giving and taking will balance out. While the burden of 3 billion dollars in loans may prove heavy in the short term, the benefits from a steady supply of Soviet resources, technology and know-how will be more valuable in the long run, they say.

Despite its non-political mask, the agreement is the price for ties with the communist giant and the cost of what may be the most significant diplomatic feat in history.

The loan, Seoul believes, will also pay for Moscow's influence and cooperation in improving inter-Korean relations in support of national reunification.

This point was made clear as the announcement, at the very end of the 11-point agreement, says that Seoul-Moscow relations will contribute to peace and stability on the Korean peninsula, in the region and around the world.

The agreement also says the Soviet Union will honor the U.N. Charter, which guarantees that all qualified nations can join the world body, implying that it will not obstruct Seoul's bid for membership.

Moscow will urge North Korea to sign the nuclear safeguards accord and will refrain from supplying Pyongyang with arms as they might add to the military buildup on the Korean peninsula, the agreement said.

Given these implications, the practicality and success of the economic accord hinges as much, if not more, on fulfillment of South Korea's political aims as on its financial gains.

While the agreement in itself is significant enough, the larger and probably more important task is for Seoul to make the agreement worthwhile.

Loans Described as 'Excessive'

SK2401035591 Seoul TONG-A ILBO in Korean 23 Jan 91 p 6

[Article by political reporter Yi Chae-ho from the "Reporter's Eye" column: "One Got Slapped Even After Giving Money Through Economic Cooperation With the Soviet Union"]

[Text] The amount of $3 billion, announced as a loan to the Soviet Union on 22 January, appears to be excessive in view of the Soviet policy toward the Korean peninsula. Answering a question on diplomatic results of the ROK-USSR economic cooperation that day, Kim Chong-in, senior presidential secretary for economic affairs, gave an answer with a light heart, saying "security is something which cannot be bought with money. How can one expect reunification without such efforts?" However, frankly speaking, a number of people are surprised by the scale of the loans. Furthermore, a considerable portion of this loan is money we will have to borrow from other countries at a high interest in order to lend it to the Soviet Union.

As pointed out by Secretary Kim, security cannot be calculated only with money. However, viewing a few points clarified that day by Soviet Deputy Prime Minister Maslyukov, who is leading the Soviet side's delegation, we must ask whether $3 billion is the appropriate price for our security.

To our dismay, Maslyukov did not give any hopeful pledge regarding the three tasks which our government put forward, including support for entry of the ROK into the United Nations, North Korea's conclusion of nuclear safety agreement, and Soviet Union's restraint of supplying weapons to North Korea. Thus, he merely repeated the previous Soviet position.

He again stressed that "the North and the South should mutually seek resolution of the issue on the UN membership." Concerning North Korea's conclusion of nuclear safety agreement, he merely said that "since there are U.S. nuclear weapons in South Korea, all should make efforts for denuclearization of the Korean peninsula." Furthermore, to the request for restraint of supplying weapons to North Korea, he flatly rejected it, noting that "the weapons we offered are only defensive." In spite of the pledge we made for this enormous amount of economic cooperation even amid difficult situation, the Soviet Union clearly manifested that there is no change in its policy on the Korean peninsula.

Needless to say, we fully understand that as Secretary Kim has remarked, the current conference was not designed to barter economic cooperation for diplomacy and that diplomatic achievements cannot be immediately expected, like an act of buying something with money. Nevertheless, we cannot abandon a feeling that "we got slapped by someone even after offering money to him."

Furthermore, such feelings are overlapping with another feeling that "the establishment of diplomatic relations with the Soviet Union which the government loudly claimed laid a foundation for peace on the Korean peninsula and successive summit talks were merely a price for economic cooperation.

A government official that day used the words "natural consequences of one's own deed." He meant that we made all possible efforts in the hope that the North-South relations will be naturally settled only if ROK-USSR relations are improved, and now we ourselves should take care of burdens caused thereafter.

Our people have to pay the additional expenses incurred by our government's act for "displaying itself" called northern diplomacy.

Fisheries Cooperation Pact With USSR Initialed

SK2201071191 Seoul YONHAP in English 0525 GMT 22 Jan 91

[Text] Seoul, Jan. 22 (YONHAP)—South Korea and the Soviet Union initialed a fisheries cooperation agreement Tuesday under which Korean vessels are allowed to fish in Soviet waters in the Bering and Kamchatka Seas.

Yun Ok-yong, national fisheries administrator, and V.M. Lushnikov, vice fisheries minister of the Soviet Union, initialed the agreement in Yun's office.

The accord, which calls for the establishment of a bilateral fisheries committee and positive joint ventures in the processing and cultivation of marine products, is expected to be formally signed when Yun visits the Soviet Union on Feb. 4, a fisheries administration official said. A fisheries cooperation committee will complete negotiations between the two countries on cooperation issues, such as setting catching quotas for Korean ships and joint fisheries projects.

The two sides will positively promote joint fishing ventures in Soviet seas and cooperate in the manufacturing and repairing of fishing vessels. They will conduct joint surveys on marine resources in the northwest Pacific and other seas of common interest, exchange fisheries information and take a joint stand in international fisheries organizations.

The validity of the agreement is five years with an automatic extension unless either side informs the other six months in advance. The pact opened the way for Korean vessels to fish in Soviet waters and came less than four months after the two nations normalized diplomatic ties on Sept. 30.

Korea caught about 300,000 tons of Alaskan pollack a year off the Kamchatka peninsula before fishing was suspended with the Soviet proclamation of a 200-mile economic zone in March 1977. The Alaskan pollack catch increased from 7,708 tons in 1970 to 99,482 tons in 1972 and 310,804 tons in 1975. The 1976 figure was 310,925 tons.

Korean ships withdrew with the proclamation of the 200-mile zone and from 1989 were allowed access to the area only to buy fish from the Soviet fishing fleet. Twelve ships bought 77,753 tons of fish in 1989 and eight ships bought 61,084 tons in 1990. The administration will submit the agreement to the national assembly for ratification before the end of March, the official said.

Fisheries Group To Be Set Up

SK1901043291 Seoul THE KOREA TIMES in English 19 Jan 91 p 8

[Text] Korean and Soviet officials yesterday agreed to establish a joint fisheries council to discuss ways of promoting bilateral cooperation, the National Fisheries Administration reported yesterday.

The Korean side proposed a fisheries agreement, which the Soviets agreed to initial before they depart on Jan. 22.

NFA Administrator Yun Ok-yong headed the Korean delegation and V.M. Lushinikov, first deputy fisheries minister, was in charge of the Soviet delegation to the two-day talks which ended in Seoul yesterday. Lushinikov invited Yun to Moscow around Feb. 4 to discuss pending fisheries affairs in detail, a spokesman said.

The Korean delegation expressed hope that Korean fishermen would soon begin fishing in Soviet territorial waters of the Bering Sea and the Kamtchatka Sea. On the other hand, the Soviet proposed to jointly conduct shipbuilding, repairs research of marine resources and production of fishing equipment.

Difficulty Seen in Acquiring Soviet Technology

SK1501095691 Seoul YONHAP in English 0843 GMT 15 Jan 91

[Text] Seoul, Jan. 15 (YONHAP)—South Korea will experience difficulties in trying to acquire sophisticated Soviet technology despite constant improvements in Seoul-Moscow economic relations, the International Private Economic Council of Korea (IPECK) predicted Tuesday.

The semi-official council, in a report on the Soviet Union, said Korean firms that sought Soviet technology would meet obstructions from the Soviet military, which opposes the transfer of technology to Korea, and that this stand would be backed by other Soviet groups.

Conservativists [as received] blasted former Soviet Foreign Minister Eduard Shevardnadze for his cold treatment of North Korea, IPECK said, forecasting a move in the Soviet Union to help Pyongyang save face as the giant communist nation moves rapidly to the right.

Basic relations between Seoul and Moscow would not be changed since they are in Moscow's economic interest, but South Korean companies had better be prudent in advancing into the Soviet Union in consideration of the highly uncertain political situation, it advised.

USSR To Get Daily Necessities From Korea

SK1901040391 Seoul THE KOREA TIMES in English 19 Jan 90 p 8

[Text] The government has assured the Soviet Union that Korea can supply it 53 daily necessity and consumer products as part of its economic aid to the Soviet Union.

They are among the 63 daily necessity and consumer items which the Soviet Union has called upon Korea to supply from this year to 1993 in a bid to tide over shortages in its markets.

Pak Yong-to, vice trade-industry minister, conveyed the government's position in a meeting with a Soviet delegation at the ministry Thursday.

The 20-member Soviet delegation, led by Soviet First Deputy Prime Minister Yuriy Maslyukov, were taking part in the second round of economic consultations between Korea and the Soviet Union which kicked off at the Foreign Ministry Thursday. The consultation was officially wound up yesterday.

On Thursday, Pak told the Soviet side that Korea can supply the amounts of 34 daily necessity and consumer products requested by the Soviet Union. They include 355,000 washing machines, 2.55 million video tape recorders and 4.815 million color TVs. He also said that 19 other products such as radios, sewing machines and kitchenware can be provided but not at the amounts requested.

However, Pak made it clear that Korea is unable to supply the remaining 10 products to the Soviet Union. They included hot coil, sausage manufacturing machines and electric saws.

He also discussed with the Soviet delegation the participation in 11 Soviet industrial projects by Korean business concerns.

The Soviet Union requested Korean business concerns to take part in the 11 industrial products last year in order to gear up its backward economy. Pak told the Soviet side that 17 Korean companies such as Samsung and Daewoo are willing to participate in eight products including the construction of petrochemical complexes and the assembling of passenger cars.

He added that no Korean enterprise wants to take part in the remaining three projects including the manufacture of automation facilities and facsimiles. He agreed with the Soviet delegation to hold a first round of trade ministerial negotiations between Korea and the Soviet Union in Moscow in October.

In the meantime, other ministries besides the Trade-Industry Ministry held separate talks with the Soviet delegation yesterday to substantiate the expansion of bilateral economic and trade exchanges.

The topics included the size of Korea's economic aid to the Soviet Union, the joint development of Soviet natural resources, trade, fisheries cooperation, and science and technology cooperation. It was reported that Korea had in principle agreed with the Soviet Union to provide it with $3 billion in economic aid over the next three years including $500 million in cash. On the other hand, the Korean side called upon the Soviet Union to supply it with crude oil on a long-term basis as the country is finding it difficult to import oil from the Middle East due to the Persian Gulf war. It especially asked the Soviet Union to lower the price of its crude oil $0.5-$1 per barrel over that of Middle East oil.

Military Goods Exports Increase Since Gulf War

SK2301114691 Seoul CHOSON ILBO in Korean 21 Jan 91 p 19

[By Pak Se-hun]

[Text] Since the Persian Gulf war broke out, domestic defense-industry companies that manufacture gas masks, military vehicles, and other military equipment have increased their exports to the Middle East region.

Samgong Corporation (President Song Nak-chin) exported 150,000 gas masks worth more than $10 million last year. In order to meet additional demand due to the high possibility that Iraq may use chemical weapons, this company is operating its gas mask manufacturing lines at full capacity.

Also, Asia Motors Company (President Kim Han-son) exported 300 repair trucks to Saudi Arabia last year. This company is actively negotiating this year to export jeeps, trucks, and other military vehicles to the Middle East region.

At present, domestic defense-industry companies export military equipment worth $100 million a year. They mainly export military fatigues and vehicles. Exports of such lethal weapons as rifles are minimal due to U.S. restrictions on our exports.

The D [expansion unknown] company, which has mass-produced K-2 rifles, an improved model of the M-16 rifles, since 1985, received orders from Africa a few years ago. However, it failed to deliver the rifles because the United States protested it.

High-speed patrol boats, the biggest item among defense-industry products, cost more than $10 million apiece. They are manufactured by the K [expansion unknown] company. Indonesia and other Southeast Asian countries import high-speed patrol boats and hovercraft. It was recently learned that Taiwan has been negotiating to import these patrol boats.

Domestic defense-industry companies are manufacturing K-1 Korean-style tanks, 150mm self-propelled guns, howitzers, and Vulcan guns and supplying them to the Armed Forces. Locally made conventional weapons make up approximately 60 percent of the total number, and domestic companies are just assembling missiles and other weapons that require high technology.

Samyang Chemical Company (President Han Yong-cha) is manufacturing tear gas cannisters for the Armed Forces. It began to manufacture camouflage nets that can block aerial electronic wave detection. In this way, it is trying to diversify its products.

It was learned that approximately 80 domestic defense-industry companies manufacture approximately 100 kinds of defense-industry products, that they manufacture goods worth more than one trillion won a year, and that this accounts for approximately ten percent of their annual sales.

In an effort to help the defense-industry companies and to increase the exports of defense-industry products, the government is pushing ahead with a plan to export defense-industry products to Northeast Asian countries and Africa under buyers' brand names.

Support for Gulf War Said 'Considerable Burden'

SK2301011291 Seoul THE KOREA TIMES in English 23 Jan 91 p 6

[Editorial: "Medical Unit to Gulf"]

[Text] The government has made the right decision to send a group of military medical personnel to the Gulf region in compliance with the request of the United States, and with National Assembly approval, the 154-member contingent will be dispatched to the Gulf today to join a 26-man advance team already there.

The ruling Democratic Liberal Party [DLP] and the main opposition Party for Peace and Democracy [PPD] took unusually united action to endorse the dispatch following an agreement between President No Tae-u and PPD leader Kim Tae-chung at their meeting at Chongwadae last Saturday.

It is matter of principle and not merely policy that led the nation to comply with the request for the dispatch of the medical unit, in view of the fact that the Republic of Korea is firmly committed to the principles and purposes of the United Nations, although it is not yet a member of the world forum.

The Republic has maintained a close relationship with the United Nations since its government was first established in accordance with a resolution of the world body in 1948. In particular, the 16 members of the United Nations, under the initiative of the United States, fought against North Korean troops and rescued the Republic from their aggression, in accordance with the principle of the U.N. Charter calling for collective security of member states.

The ongoing Gulf war is an armed conflict between the U.N. coalition forces and the Iraqis who invaded neighboring Kuwait, on the basis of the U.N. resolutions demanding unconditional and complete withdrawal of the Iraqi troops before Jan. 15. In this connection, Korea was obliged to make some contributions to the collective U.N. action in the Gulf region.

Once the nation resolved to espouse the objective of the U.N. in this conflict, it was a technical matter for Korea to decide what measures the government should take. The government has provided some 220 million dollars in financial and material aid to cover the cost of the war by the allied forces. And the dispatch of the military medical unit is an additional contribution to this end.

The dispatch of the military medical team will cost about 9.82 billion won or some $14 million for a year. This disbursement is a considerable burden on the government, though it is meager compared with the huge war expenses now being paid by the United States and allied forces waging an unprecedentedly expensive war with high-tech and ultra-modern weapons.

The main opposition PPD quite reasonably retreated from its hardline stand toward the medical team dispatch on condition that no combat troops be sent to the Gulf. The PPD objection was based on the precedent of the dispatch of a medical team to Vietnam in 1964 leading to that of combat troops there, deeply drawing the nation into the long-term war.

The government and opposition parties, at that time, developed a fierce dispute on the floor as to whether to approve the administration-proposed dispatch of combat troops to Vietnam, in compliance with the U.S. request. The main reason the government adduced for sending the combatants was to pay back "moral debts" the nation owed to its major ally for its participation in the Korean war and the repulsion of the invading communists from the North.

For the present, there is no indication that the United States will ask for Korean combat troops, as Korean Government leaders and the American Government have denied the existence of any such request. Yet, what is feared is a change in the situation by development of the war.

Defense Minister Yi Chong-ku has not totally precluded such a request being made, saying that the government will cope with the situation on the basis of future war developments and relations with the United States. It is premature to discuss an imaginary scenario at this moment but one thing that is clear is that prosecution of the ongoing war is a greater cause and has wider world support than the Vietnam War, even if other national interests are put aside in this context.

Trade Credits Extended to Exporters Into Mideast

SK2101010191 Seoul YONHAP in English 0027 GMT 21 Jan 91

[Text] Seoul, Jan. 21 (YONHAP)—The Bank of Korea (BOK) has decided to extend trade credits to small- and medium-sized companies that export to the Middle East if they are suffering financially due to the Gulf war, officials at the Central Bank said Monday. The Central Bank has sent guidelines explaining the new policy on financial support for exporters to all banks that do foreign exchange business.

The centerpiece is trade credits, which the banks were told to offer beyond current limitations, they said. Credits had to be paid back within 180 days on a letter of credit basis, but the BOK guidelines extend the period to 270 days. Banks can also provide the firms with general finance to help them settle trade loans, trade bills and domestic letters of credit.

Should a firm fail to export as much as its trade loans, the ceiling of loans is cut, but this punitive measure will be waived for exporters to the Middle East, the officials said. The Central Bank issued directives on financial support for those exporters in August last year, shortly after Iraq invaded Kuwait, and this action is to supplement that step. The officials said the supports would be offered to companies whose annual exports stand below 50 million U.S. dollars a year and no such help was eyed for bigger exporting firms.

Saudi Envoy Vows To Supply 'Any Quantity' of Oil

SK2401020291 Seoul THE KOREA TIMES in English 24 Jan 91 p 2

[Text] Saudi Arabia has expressed its gratitude for Seoul's contributions to the multinational force and frontline countries bordering Iraq and vowed to supply "any quantity" of oil needed by Korea.

"I would like to commend Korea for its efforts to stand by a friend and ally, noting its significant contributions to the cause of defending our kingdom in the wake of the Gulf crisis," Amb. Muhammad 'Ali Al-Shuwayhi told

The Korea Times. "This positive response from the Korean government was surely a clear manifestation of our cordial relations and would contribute further to the enhancement of our friendship."

Despite the Gulf War, he foresees "more active" relations in trade, especially relating to oil. The Saudi Arabian Oil Co. (Saudi Aramco) has offered to supply any quantity of oil as deemed essential by Korea, according to him.

"This gesture by the Saudi side," he said, "is in realization of the fact that Korea boasts heavy industries which rely on the utilization of essential energy." Korea's oil bill for the past six months registered a steep rise to account for 25 percent of its total imports.

Explaining that the kingdom has various programs encouraging joint venture projects and abundant raw materials needed to be harnessed by skillful technology, he called on both Korea's public and private sectors to pursue possible avenues of trade cooperation with Saudi partners.

He assessed Korea's diplomatic breakthroughs in socialist countries as the "healthiest political approach," adding that the world is successfully emerging from the shadow of the cold war and global detente is the dictate of the time.

He stressed the need to have dialogue between friends and between foes as the best means for peaceful settlement of problems.

"Every amicable settlement starts from a dialogue. It is difficult to predict how many more dialogues have to take place in order that South and North Korea achieve reunification.

"However, one thing is certain—as long as dialogues are held successively with the objective of reunification clearly defined, this end will not be an impossible goal," he went on.

"I think South Korea has already installed significant steps in the pursuit of reunification. For a number of years, it has devoted much of its human and financial resources in programs geared to achieve this end. We have witnessed the success of sports, culture and other forms of exchanges between the two Koreas."

He holds the view that the inter-Korean prime ministers' talks are a "clear manifestation of the earnest desire" for both sides to achieve unity.

"We know that South Korea has made a laudable effort to push through with it. More dialogue of more or less the same nature are still needed to achieve reunification," he viewed.

1991 Crude Oil Supply Plan Released

SK2101024391 Seoul YONHAP in English 0212 GMT 21 Jan 91

[Text] Seoul, Jan. 21 (YONHAP)—South Korea will increase crude oil imports from Saudi Arabia, Southeast Asia and Africa to make up for the loss from Iraq and kuwait, lowering its dependency on oil from the Middle East from 74.5 percent to 68.3 percent, according to the 1991 crude supply plan released Monday.

Imports from the Mideast region will be boosted from 227.2 million barrels in 1990 to 264.1 million barrels this year, according to the plan, and Korea's total oil imports will be 386.6 million barrels, up from 304.8 million barrels.

The quota for Saudi Arabian oil was raised from 37.1 million barrels to 97.7 million barrels, boosting the share from 12.2 percent to 25.3 percent of oil imports. Korea entirely relies on imports for its oil needs.

Oman's share is 68.1 million barrels, up from 63.5 million last year. It shrank from 20.8 percent to 17.6 percent. Imports from Iraq and Kuwait amounted to 27.6 million barrels last year, but are projected at zero for 1991.

The share for Southeast Asian countries is 86.9 million barrels, up from 61.9 million barrels. The region's share is 22.5 percent of Korea's total this year, up from 20.3 percent.

Africa was assigned 18.8 million barrels, or 4.9 percent, and North and South America 16.8 million barrels, or 4.3 percent. Africa took 3 percent and America 2.2 percent last year.

Government To Trim Spending Due to Gulf War

SK2101015391 Seoul YONHAP in English 0048 GMT 21 Jan 91

[Text] Seoul, Jan. 21 (YONHAP)—The government is tightening its own purse strings to set the public an example of frugality because of the Persian Gulf war, the Economic Planning Board (EPB) said Monday.

Government agencies will cut down spending across the board, ranging from office supplies to government contracts, according to EPB officials.

South Koreans have already been told to comply with various energy saving measures, such as taking their cars off the road once every 10 days, and the government will do its share to calm inflation psychology and lead the pan-national conservation drive, they said.

While being flexible, the government will not make any expenditure unless it is absolutely necessary, they said. The only exceptions will be money allocated to expand infrastructure such as roads and ports, which are needed to boost domestic industrial competitiveness. The budget contains 3.5 trillion won (4.9 billion U.S. dollars) for infrastructure projects.

The government will be ready at all times, however, to pay the bill for the dispatch of a military medical team to the Gulf, the officials said. A 154-member team, 26 of whom are now in Saudi Arabia, will go to the Gulf to support the international coalition against Iraq.

Seoul To Release Raw Materials From Stockpile

SK2101020591 Seoul YONHAP in English 0127 GMT 21 Jan 91

[Text] Seoul, Jan. 21 (YONHAP)—The government will release raw materials from its stockpile in case prices shoot up on the international market as the Gulf war drags on, the office of supply said Monday.

The office will sell chemical pulp, aluminum and rubber and other materials from its stocks at below market prices to stabilize.

Korea's strategic reserves contain 150,000 tons of 16 raw materials worth 120 billion won, including 56,000 tons of chemical pulp, 40,000 tons of aluminum and 65,000 tons of rubber, the office said.

It will secure 300,000 tons of cement and other building materials by the end of January in preparation for a construction boom.

Minister on Objectives for Next Uruguay Round

SK2201100191 Seoul YONHAP in English 0923 GMT 22 Jan 91

[Text] Seoul, Jan. 22 (OANA-YONHAP)—South Korea, aware efforts must be made to improve relations with its trade partners, will strive for the success of the Uruguay Round global trade talks, Trade and Industry Minister Yi Pong-so promised Tuesday.

The Uruguay Round will continue to receive positive attention from the Korean Government as it is important to the Korean economy as well as to the global trading system, he told foreign businessmen and diplomats in a speech on Korean trade policy at the Korea Trade Center.

Seoul will stick to its policies on import liberalization and come up with "practical proofs," he said. "Barriers to the Korean markets will be eased through integrated systematic improvements rather than fragmentary provisions," Yi said. To expand dialogue with foreign businesses in Korea and solve the hardships they face, the government will set up a special task force to tackle barriers encountered in entering Korean markets, he said.

Touching on Korea-U.S. trade friction, he admitted that the South Korean Government was experiencing difficulty in securing public consensus on a swift market-opening policy. The problem, however, means neither change nor retreat in the government's determination to open market, he added. He said it would be the policy of his agency to strengthen industrial competitiveness, which has recently worsened, and to build up trust with major trading partners.

The reception was attended by 90 commercial attaches and other foreign diplomats, 100 branch heads of foreign businesses, the presidential group of the Chamber of Commerce and Industry and 30 foreign journalists.

Reciprocal Trade With Socialist Countries Urged

SK1401141091 Seoul THE KOREA ECONOMIC JOURNAL in English 14 Jan 91 p 8

[Text] Korean enterprises should promote trade and investments with the Soviet Union, East European countries and China under a reciprocal trade formula, the Korea Trade Promotion Corp. (KOTRA) argued in a survey report.

Korean firms have been reluctant to engage in reciprocal trade due to the lack of experience and manpower versed in such trade and the difficulties in selecting offset purchase items, KOTRA sources pointed out. However, it is inevitable that Korean enterprises develop reciprocal trade formulas in promoting trade and investment projects with these countries, the sources said.

Korean enterprises should make the best use of reciprocal trade formulas, including a barter trade, export-import business through third countries and buy-back transactions, the sources explained. At the same time, Korean banking institutions should expand their financing support to help reciprocal trade of Korean enterprises with these countries, the sources urged.

Resumed Trade With Laos, Cambodia 'Likely'

SK1401232391 Seoul THE KOREA ECONOMIC JOURNAL in English 14 Jan 91 p 7

[Text] Korea's trade with Cambodia and Laos, suspended in 1975, is likely to recommence in earnest, trading sources said.

Through their branches in Thailand and Vietnam, a number of Korean general trading companies (GTCs) reportedly are tapping the possibility of trade with these two countries, and some of them have succeeded in trading on a small scale, the sources said.

For instance, Sunkyong imported $500,000 worth of logs from Cambodia in November 1990 for domestic sale, and it has been negotiating with Cambodian traders through its Vietnam branch over an additional import of logs and the export of daily necessities.

Hyosung Corp. has recently exported $100,000 each of aluminium foil and fabric to Cambodia and Laos, and it plans to expand two-way trade with these countries in 1991.

Based on their recent market surveys, Daewoo Corporation intends to explore the export market in Laos, and Kolon International Corp. wants to advance into Cambodia, the sources said.

Samsung Co., Hyundai Corp. and Lucky-Goldstar International Corp. reportedly are moving to promote trade and economic ties with these two countries beginning in the first half of 1991 when the business activities of their Vietnam branches go into full swing.

In an effort to facilitate the advance of Korean trading firms into Cambodia and Laos, the Korea Trade Promotion Corporation (KOTRA) has dispatched staffs from its Bankgok branch to these tow countries to conduct market surveys. KOTRA plans to conduct another series of market surveys sometime in the first half of 1991 when its trade office is set up in Vietnam, the sources said.

Government To Restrict Firms From Reentering

SK1401142991 Seoul THE KOREA ECONOMIC JOURNAL in English 14 Jan 91 p 4

[Text] Foreign companies which pull out of Korea without settling all of their outstanding accounts will not be allowed to reenter the country, government sources said.

For this purpose, the Finance and Trade-Industry ministries are working on amendments to the decree implementing the Foreign Capital Inducement Law. The amendments are designed to control foreign-invested firms pulling out of the country with delinquencies, such as overdue wages and severance pay.

Under the amended decree to be put into force in March, foreign-invested firms withdrawing from Korea will be required to settle all their accounts in the country, including wages and severance pay, before departure.

The Labor Ministry will make a list of foreign firms that leave the country with overdue wages and severance pay and refer the list to the Finance Ministry for use in its examination of new foreign investment applications. Applications of firms found in the list will be rejected, the sources said.

The number of foreign firms pulling out of the country rose from 40 to 60 a year up to 1987 to 103 in 1988 and further to 121 in 1989. In the first nine months of 1990, 111 foreign firms left the country, 27 more than the same period of 1989.

President No Urges Price Stability for 1991

SK1401040191 Seoul YONHAP in English 0257 GMT 14 Jan 91

[Text] Seoul, Jan. 14 (YONHAP)—President No Tae-u urged his economic ministers Monday to set price stability as their no. 1 goal for this year.

No, after being briefed by his economic-related ministers on their policies for 1991, said that the government should focus on improving industrial competitiveness, labor problems and industry-related facilities. "People are greatly concerned at recent hikes in prices that directly affect their daily lives," No said. "All of the relevant ministers must concentrate their efforts on appeasing the public's inflation psychology as soon as possible."

The president also stressed the need for stable labor relations, saying they are fundamental to economic steadiness and industrial competitiveness. "The age of cheap fuel is apparently over, regardless of how the Persian Gulf crisis develops," No said. "The Energy and Resources Ministry must prepare annual energy conservation plans and deregulate oil prices so that companies can effectively cope with fluctuating international oil prices."

He also emphasized the need for steady trade relations with Korea's trading partners, advising the ministers to "make sure that there is no unnecessary international friction." No called for continued efforts to halt real estate speculation and asked ministers to carefully evaluate their plans to avoid incidents like last year's unexpectedly high increases in construction wages.

New Department in N. Foreign Ministry Reported

SK1201073291 Seoul HANGYORE SINMUN in Korean 12 Jan 91 p 1

[Text] To cope with rapid developments such as the establishment of diplomatic relations between South Korea and the Soviet Union, ROK-USSR summit talks, and improvements in ROK-China relations, it was learned that North Korea recently established a Japanese-U.S. Department in its Foreign Ministry to actively improve relations with the United States and Japan.

It has been learned that approximately 15 officials work in the Japanese-U.S. Department, and that they concentrate on preparing for full-dress talks to establish diplomatic relations with Japan and on improving relations with the United States.

On 11 January, a high-ranking official of the ruling party said, "North Korea has recently held several contacts with the U.S. in Beijing to negotiate the question of returning the remains of U.S. soldiers missing or killed during the Korean War, and North Korea makes systematic efforts to hold such contacts." Also, he revealed, "The North Korean Foreign Ministry, it was learned, has sought to improve multilateral relations with the United States and Japan, centering on specialists working in such organs as the Institutes for Peace and Arms Reduction in the United States and Japan." The official said that "because the improvement of relations between North Korea and United States and between North Korea and Japan is regarded as creating a desirable atmosphere favorable to cross-recognition by the four powers surrounding the Korean peninsula as well as for peace there, our government will hail the improvement of the North Korean relations with the United States and Japan."

In the meantime, Kim Pyong-hong, vice director of the North Korean Institute for Arms Reductions, who is in charge of affairs concerning the United States, will make a speech about arms reduction on the Korean peninsula entitled "Changes and Prospects of International Order in Northeastern Asia" in a seminar jointly sponsored by the Asia Society and the U.S. Academy of Political Science, which will be held in the U.S., in Wisconsin, on 19-21 January.

Shooting Federation To Invite North to Match

SK2201095191 Seoul YONHAP in English 0846 GMT 22 Jan 91

[Text] Seoul, Jan. 22 (YONHAP)—The Korea Shooting Federation will invite North Koreans to the Seoul World Cup Shooting Championships in April.

The Federation's board of directors decided Monday to ask the government to cooperate in its bid to invite North Korean players to the championships, scheduled for April 28-May 4. Official inter-Korean sports talks will be resumed on Jan. 30.

Government To Propose Tour Program to Pyongyang

SK1301021191 Seoul THE KOREA HERALD in English 13 Jan 91 p 3

[Text] The government plans to propose to Pyongyang a tour program in which South Koreans make a single-day tour of Mt. Kumgang in North Korea, government sources said yesterday.

The sources said the government will make the proposal during the fourth round of inter-Korea prime ministers' talks scheduled for next month.

Under the government's draft plan, a group of tourists—South Koreans, over 30 years age and any foreigners here—will be able to cross by bus the Demilitarized Zone (DMZ), pick up a North Korean guide, pay passage tour fees and tour Mt. Kumgang and then return to South Korea.

The tour would cost each tourist some $30 under the program.

It is expected that North Korea would make considerable amount of money out of the program.

Approval Sought To Import Fish From North

SK1301020491 Seoul THE KOREA HERALD in English 13 Jan 91 p 6

[Text] Hyundai Corp., a leading general trading house in Seoul, recently asked the government to approve its plan to import 1,500 tons of fresh Alaskan pollack worth $414,000 from North Korea, industry sources said.

The planned import volume represents 16.5 percent of the 9,100 tons of Alaskan pollack caught by South Korean fishermen in nearby seas last year.

Ministers Pledge Fair Election Efforts

SK2201051391 Seoul YONHAP in English 0207 GMT 22 Jan 91

[Text] Seoul, Jan. 22 (YONHAP)—Civil servants and government appointees with local administrations will be fired if they are found to be involved in illegal election campaigning, said ministers charged with law enforcement Tuesday.

Nationwide local elections are to be held in the first half of the year for the first time in 30 years.

The government also will set up election watchdog committees and election law violation report centers in provinces, cities and lower administrative units to prevent illegal electioneering, they reported to President No Tae-u. Home Minister Ahn Ung-mo said his ministry would ban government officials from expressing any political opinions or joining any campaign activities. Justice Minister Yi Chong-nam said security at public address sites and polling stations would be stepped up for the election.

Education Minister Yun Hyong-sop and Labor Minister Choe Pyong-yol also attended the meeting held at the presidential office to review ways to establish social discipline.

All the participants pledged to make an effort to ensure a fair election, clearing uneasiness over the Gulf war and industrial and campus stability. They decided to crack down on instigators of campus demonstrations and illegal labor disputes and to continue to check real estate speculators. Activities infringing the normal economic order, such as hoarding commodities or exploiting the Gulf crisis, will face stern punishment, they said.

Burma

Soviet Hydrometerology Delegation Continues Visit

Meets Minister Tin Tun

BK1601153391 Rangoon Domestic Service in Burmese 1330 GMT 16 Jan 91

[Text] Lieutenant General Tin Tun, member of the State Law and Order Restoration Council and minister of labor and social welfare and of transport and communications, received Mr. Y.S. Sedunov, deputy minister [title as heard] for hydrometeorology, and members of his delegation—Mr. (Asipokov), director general of the Supplies Department and Mrs. (E.L. Pedin) of the International Relations Department. Mr. V. I. Shabalin, Soviet ambassador to Myanmar [Burma], accompanied the Soviet guests to the 1330 meeting today at the Ministry of Transport and Communications.

During the meeting there was a frank and cordial exchange of views on matters concerning cultural and scientific cooperation between the two countries, hydrometeorological issues, and environmental protection.

Also present at the meeting were Dr. Tin Hlaing, director general of the Directorate of Maritime Transport; U Khin Maung Than, director general of the Road Transport Enterprise; U Ohn Maung, director general of the Meteorology Department; and responsible officials.

Addresses Enviromental Seminar

BK1801115591 Rangoon Domestic Service in Burmese 1330 GMT 17 Jan 91

[Text] A seminar on environmental protection was held at 1400 today in the conference hall of the Directorate of Meteorology and Hydrology on Kaba Aye Road. The seminar was attended by the three-member Soviet delegation currently in Myanmar [Burma] to discuss implementation of projects under the Myanmar-Soviet cultural and science cooperation and exchange program. The delegation's leader, Mr. Y.S. Sedunov, deputy chairman of the USSR State Committee for Meteorology and Hydrology, addressed the seminar.

The seminar was attended by U Ba Thwe, director general of the Department of International Organizations and Economic Relations of the Ministry of Defense; U Ohn Maung, director general of the Directorate of the Meteorology and Hydrology of the Ministry of Transport and Communications; members of the National Commission for Environmental Protection; and resposible officials from other departments and enterprises.

Departs 19 Jan

BK1901112291 Rangoon Domestic Service in Burmese 1330 GMT 19 Jan 91

[Text] A three-member Soviet delegation headed by Mr. Y.S. Sedunov, first deputy chairman of the Soviet State Committee for Meteorology and Hydrology, left Yangon [Rangoon] today at 0900 after a nine-day tour of Burma during which they held talks on meteorological and hydrological projects to be implemented under the bilateral agreement on cultural and scientific cooperation and the exchange program.

Mr. Sedunov is accompanied by Mr. I. V. Popov, director general of the committee's procurement department, and Mrs. E. L. (Fedin) of the international relations department of the committee.

The Soviet delegation was seen off at the airport by U Khin Maung Than, director general of the Directorate of Land Transport; U Ohn Maung, director general of the Directorate of Meteorology and Hydrology; Mr. V. I. Shabalin, Soviet ambassador to Myanmar [Burma]; and other responsible officials.

During their nine-day tour of Myanmar, the Soviet delegation discussed bilateral cooperation in expanding meteorological and hydrological work with responsible officials from the Directorate of Meteorology and Hydrology. During the talks they were able to draw up future programs for bilateral cooperation in developing meteorological and hydrological departments in the two countries.

Delegation From PRC's Yunnan Province Arrives

BK2301145491 Rangoon Domestic Service in Burmese 1330 GMT 23 Jan 91

[Text] A Chinese delegation headed by Mr. (Wu Zhongliu), head of a division of the Foreign Office of Yunnan Province, flew in to Yangon [Rangoon] by air this afternoon. The Yunnan delegation was welcomed at Yangon Airport by U Win Lwin, deputy director general of the Foreign Ministry's Political Department, and Counselor Mr. (Shi Zhijiang) and staff members of the PRC Embassy.

Meets Trade Minister Abel

BK1001143391 Rangoon Domestic Service in Burmese 1330 GMT 10 Jan 91

[Text] A study delegation led by Mr. (Xi Kuan Shim), head of the Foreign Affairs Department of Yunnan Province of the People's Republic of China, accompanied by Mr. Cheng Ruisheng, PRC ambassador to the Union of Myanmar [Burma] called on Brigadier General Abel, minister for trade and for finance and planning, at 0900 today at the Ministry of Trade and held cordial and frank talks on economic and trade matters.

Present at the meeting were U Maung Maung Kyaw, director general of the Directorate of Trade; U Min Aung, director general of the Budget Appropriations Department; Daw Khaing Khaing, director general of the Department of Planning; U Win Kyi, managing director of the Myanmar Exports and Imports Enterprise; and responsible officials from the Ministry of Trade.

The 10-member delegation from Yunnan Province which arrived yesterday by CAAC airliner will hold talks with various departments during its two-week study tour.

Minister Addresses Intelligence Staff on Security

BK2201163691 Rangoon Domestic Service in Burmese 1330 GMT 22 Jan 91

[Text] The 1990 annual coordination meeting of the Department of Special Investigations was held in the conference hall of the Ministry of Home and Religious Affairs at 0930 today. Lieutenant General Phone Myint, minister of home and religious affairs and of information and culture, addressed the meeting, which was also attended by Lieutenant Colonel Than Nyunt of the Ministry of Home and Religious Affairs; U Khin Tun, director general of the Department of Special Investigations; U Ohn Than, deputy director general; and directors, deputy directors, and assistant directors from the headquarters as well as the state and divisional departments.

Speaking on the occasion, Lt. Gen. Phone Myint said coordination meetings are being held every year to review the department's strong points as well as its shortcomings and, based on the findings, to improve the capability of the department each year. We must not forget that the department, which works hand in hand with the Defense Services, is a small organization that is a part of the National Intelligence Bureau.

The minister said: When we were forced to assume the responsibilities of the state, it was the same as staging a revolution. Since our duties are diversified and important, they must be carried out effectively. We must bear in mind that intelligence organizations like ours must always be vigilant and expose our enemies, and we can only do this if we cooperate with the people. It is essential for officials in the states and divisions they are in charge of to expose and smash the hardcore elements, agents, and informers of our enemies.

The Defense Services and public service personnel are carrying out wide-ranging duties. It is the duty of each and every one of us to preserve national independence and prevent the disintegration of the union and national unity. We must train youths to have a spirit of patriotism and make them foster a will to work for the country.

I understand that the department has completed 94.61 percent of the felony investigative work. We must not keep work pending; it is essential to complete all of the work. The security of the country is important. Our work will improve only when there is security. The department should put more effort into the security work. We hope that people experienced in such work will lend a helping hand too and educate our department personnel. Outstanding personnel should also be rewarded, and relief programs should be initiated for the staff workers. Efforts must be made to stop corruption, and we must make sure the personnel get their fair and rightful dues. In conclusion, I call on the department personnel to show your love for the country by cooperating with the Defense Services in helping make the tasks being carried out by the State Law and Order Restoration Council a success.

The meeting continues until 24 January at the Office of the Department of Special Investigations.

Kachin Insurgents Mine Mogaung-Myitkyina Railway

BK2201162891 Rangoon Domestic Service in Burmese 1330 GMT 22 Jan 91

[Text] Insurgents have been disrupting peace and tranquility and maiming innocent people by planting mines on railraod tracks and shooting at commuting passengers.

KIA [Kachin Independence Army] insurgents also mined the route of the Mogaung-Myitkyina cargo train between Mayan and Kyidaung stations at milestone 705/22 at 1115 [0445 GMT] on 21 January. Using small arms, the insurgents also shot at innocent passengers.

Our security forces on the train returned fire and fought gallantly. The insurgents retreated at 1210.

One soldier on our side died for his country and two others were wounded. Two innocent passengers—U Yi Kyaing, 55, of Mohnyin and Ma Mya Saing, 23, of Namti—were shot dead. In addition, rail guards U Ko Ko and U Ohn Maung were wounded. Engine driver U Chit Pe and mechanic U Hla Aung were taken by the insurgents when they retreated.

Defense Services columns are pursuing the fleeing insurgents. Thanks to the strenuous efforts of the responsible officials of Myanmar [Burma] Railways, the derailed trains were put back on the tracks and repair work on the rail tracks was completed. Trains will resume normal service beginning at 1600 today.

Brunei, Malaysia & Singapore

Malaysia

Reaction to Persian Gulf Conflict Continues

Islamic Party Decries Japan's Aid

OW2301145191 Tokyo KYODO in English 1225 GMT 23 Jan 91

[Text] Kuala Lumpur, Jan. 23 KYODO - A Malaysian opposition party Wednesday criticized Japan's reported plans to offer an additional 9 billion dollars to support the U.S-led allied forces fighting Iraq in the Persian Gulf war as "paying Americans to kill Muslims in Iraq."

The Pan-Malaysian Islamic Party (PAS) regrets the anticipated Japanese action as jeopardizing Tokyo's "good relations with Muslims," PAS spokesman Subky Latiss said in a telephone statement to KYODO NEWS SERVICE.

"Japan has long enjoyed good business relations with Muslims. Yet, after taking the benefits from such relationships, they are indirectly killing Muslims," he said.

Japanese Prime Minister Toshiki Kaifu abruptly canceled a news conference Wednesday night at which he had been expected to announce the contribution.

The expected 9 billion dollar contribution would bring Japan's total pledged or delivered aid to the allied forces to 11 billion U.S. dollars.

"Japan, which was bombed by the Americans during World War II, should understand how Muslims in Iraq must feel when they are bombed," Subky said. "Japan should stay neutral."

The fundamentalist PAS claims a membership of 300,000 out of Malaysia's population of 17.9 million and rules the northeastern State of Kelantan.

Although Prime Minister Mahathir Mohamad's administration supported the United Nations resolution demanding Iraq withdraw from Kuwait or face war, popular Muslim sentiment swung firmly behind Iraqi President Saddam Husayn after he offered to withdraw from Kuwait if Israel withdrew from the West Bank and the Gaza Strip, which it occupies.

Subky denounced the Arab countries in the alliance against Iraq as "traitors" and said that "a few hundred" PAS members have signed up to go to Baghdad to support Iraq in the war.

PAS began recruiting volunteers Monday to go to Baghdad.

Mahathir said the government cannot stop PAS from sending supporters to Iraq.

He pointed out that the government also allowed PAS to sign up members to go to Afghanistan to support the Muslim rebels fighting the Soviet-backed government there, although they did not actually go.

Nation To Back ICO Peace Move

BK2301152891 Hong Kong AFP in English 1451 GMT 23 Jan 91

[Text] Kuala Lumpur, Jan 23 (AFP)—Prime Minister Mahathir Mohamed, facing mounting domestic criticism for his stand on the Gulf war, Wednesday said Malaysia would back an Iranian move for a meeting of Islamic countries to work on a peace plan but would continue to insist on an Iraqi pull-out from Kuwait.

"If we attend the meeting we will ask for an immediate cease-fire and insist that Iraq withdraw from Kuwait. We cannot accept the occupation of Kuwait," Dr. Mahathir said in his first public comments on the Gulf war.

Dr. Mahathir told a news conference that Malaysia would not support any move to link an Iraqi pull-out from Kuwait to the Palestinian issue if a linkage appeared likely to delay an immediate halt to the U.S.-led bombing of Iraq.

"Our desire is to see that the destruction wrought on Iraq is stopped as soon as possible," he said.

Dr. Mahathir said he believed Malaysia's position would receive support from other Moslem nations. "The bombing must stop along with a simultaneous withdrawal of Iraqi forces from Kuwait," he said.

Iran announced on Tuesday that it was seeking support for a meeting of the 46-member Organisation of the Islamic Conference [OIC/ICO] to put an immediate end to the Gulf war.

Dr. Mahathir said that the U.S. deployment of B-52 "carpet bombers" meant that civilians may also have been hit by the bombings. "We say that Iraq should pull out. We do not want Iraq destroyed," he said.

The prime minister said he supported U.S. calls to Israel not to retaliate against Iraqi Scud missile attacks because any military response would only "complicate matters."

Dr. Mahathir attacked opposition parties for criticising his government's backing for U.N. resolutions, including that which set the January 15 deadline for an Iraqi pull-out from Kuwait.

"We cannot support a country that resorts to attacking its neighbour with whom it has a border problem. We also believe that any country so attacked has the right to seek help," he said.

The fundamentalist Parti Islam announced on Monday that it had started a recruitment drive for volunteers to join Iraqi forces. Four hundred had signed up, reports said.

"We are saddened by war but there would have been no war if Iraq had pulled out," Dr. Mahathir said, adding that the U.N. had given sufficient time to Baghdad to withdraw its forces from Kuwait.

"It took Iraq 24 hours to occupy kuwait. They could have pulled out similarly," Dr. Mahathir said.

Mahathir: No 'Taking Sides'

BK2401034991 Kuala Lumpur BERNAMA in English 0307 GMT 24 Jan 91

[Text] Kuala Lumpur, Jan 24 (OANA-BERNAMA)—Malaysia is not taking sides in the war but is on the side of justice, Prime Minister Dr. Mahathir Mohamed said.

"We are not condemning anyone, what we want is justice. Our stand is clear but we don't agree with the conquest of one country by another," he said here Wednesday.

"We opposed Vietnam for trying to conquer Cambodia, we opposed the Soviet Union for trying to conquer Afghanistan, and we also opposed the United States for over-running Panama and Granada," he added.

However, he said the role of Malaysia at the United Nations was limited.

"We regret the war has broken out when it could have been avoided if Iraq had withdrawn from Kuwait," he said.

Dr. Mahathir said Malaysia did not side with the United States when it supported the U.N. Security Council resolution authorising the use of force against Iraq but it only wished to save the people of Kuwait.

"We agreed that Kuwait should be freed but never agreed that Iraq should be destroyed," he said.

Dr. Mahathir reiterated that Iraq should withdraw from Kuwait.

He also urged Israel to stay away from the war as it would only complicate matters.

Dr. Mahathir said Malaysia opposed the occupation of the Palestinian territories by Israel but added that Iraq should not use the issue as an excuse to attack Kuwait.

He regretted that the Western press did not give the actual picture on the effect of the allied forces attacks on Iraq as the news was censored by the U.S. military.

He said Malaysia had agreed to the call by Iran that the Organisation of Islamic Conference (OIC) meet as soon as possible to stop the war.

Unfortunately, he added, the proposal had been agreed to by only 10 muslim countries.

Infected Gulf Food To Be Barred

BK2401070591 Kuala Lumpur BERNAMA in English 0607 GMT 24 Jan 91

[Text] Kuala Lumpur, Jan 24 (OANA-BERNAMA)—The Malaysian Health Ministry is on the alert to prevent contaminated food being imported from the Arab countries should chemical weapons be used in the Gulf war, the minister, Lee Kim Sai said Thursday.

He added, however, that Malaysia did not import much food from those countries compared to the non-Arab countries. Malaysia imported only dried fruits such as dates from the Gulf countries.

He said the prime minister, Dr. Mahathir Mohamed, had directed all ministries to be on alert and to prepare necessary measures following the Gulf war.

Commentary on Proposal To End War

BK2401110991 Kuala Lumpur International Service in English 0800 GMT 24 Jan 91

[Station commentary]

[Text] As the war in the Gulf escalates, there is increasing tension, fear, and anxiety as to what the outcome will be and what the consequences can be for the rest of the world. The question almost everybody is asking is whether a speedy and amicable solution can be found to bring about an end to this devastating warfare. Voices have been raised around the globe urging such a solution.

Malaysia has come out with a proposal to host and participate in an international conference to find a solution to the Gulf war. Malaysia does not back away from its support of the UN Resolution No. 678 of 29 November, which called for Iraq's withdrawal from Kuwait. She has always maintained that it is wrong for a larger and more powerful nation to use its might against a smaller and weaker neighbor.

But while being a then nonpermanent member of the UN Security Council, Malaysia also voiced the view that it did not favor the use of force to settle conflicts. Whether this stand is taken in its proper perspective is not to the judgment of the parties directly involved in the conflict.

Malaysia, like all other countries concerned to the current situation, has been closely monitoring the latest developments in the Gulf, especially efforts toward resolving the conflict. As stated by Deputy Foreign Minister Dr. Abdullah Fadzil Che Wan in parliament two days ago, Malaysia would not sit idly by. Hence, the offer to host a conference to seek a solution. Malaysia is in the best position to host such a conference to discuss ways to end the war. She has the confidence of all the warring parties and thus can assume the role of a peace broker. Above all, Malaysia has adopted a consistent stand toward the Gulf crisis.

There is no doubt that the growing intensity of the Gulf conflict has created alarm elsewhere. The UN secretary general has renewed his appeal to Iraq to accept the Security Council resolutions and withdraw from Kuwait. He has urged Baghdad and his opponents to find a peaceful solution to the crisis to prevent the toll of death and destruction escalating any further and the sufferings of the people of the region from becoming even worse. King Husayn of Jordan, who has been in support of Iraq in the current war, has appealed for an end to hostilities and to allow calm diplomacy to reach a satisfactory conclusion to the Gulf crisis.

Malaysia's offer to host an international peace conference on west Asia, which should include the issue of Palestine, merits consideration. The prayers and hope of peace-loving people of the world should find them an amicable answer. The appeal from around the world for peace should not go unheeded. History has shown that in any war, there are no clear winners or losers because of the disastrous consequences to both sides. Need we repeat history?

Mahathir on Religious 'Dissension' Plot in Sabah

BK2301154591 Kuala Lumpur Domestic Service in Malay 1430 GMT 23 Jan 91

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed today exposed a certain group's ill-intention of creating dissension between Muslims and Christians in Sabah by distributing copies of Koranic verses written in red ink. He said words found in photostated copies of the verses were written in Romanized alphabets which read: Why suppress the Christians? The prime minister said such an action is dangerous and the government will not hesitate to take stringent action against those responsible if they can be identified.

Speaking at a news conference in his office when announcing the five percent wage increase for government employees, he said the copies of the Koranic verses were distributed through post to several people including some copies to his office and to the Public Enterprises Minister, Datuk Dr. Mohamed Yusof Nor. He said up till now, the government has yet to identify those responsible for such an action but it is clear that such an action was not undertaken by Muslims.

According to Datuk Sri Dr. Mahathir, the exposure was made because there was a possibility that the copies of the holy Koranic verses would be distributed to people to create dissension between Muslims and Christians. The prime minister also expressed regret because Parti Bersatu Sabah had played up religious sentiment among the people of Sabah.

Touching on UMNO's [United Malays National Organization] objective in Sabah, Datuk Sri Dr. Mahathir said such a step was taken to introduce UMNO's liberal concept in Sabah, particularly in connection with cooperation between the races. He said even though UMNO membership is limited to only Malays, the party had previously accepted a Thai national who is a non-Muslim and also an aborigine to represent their groups. As such, when UMNO enters Sabah, it will accept the memberships of non-Muslims in an effort to close the ranks between Muslims and non-Muslims in the state.

Singapore

Further Reportage on Reaction to War in Gulf

Muslim MPs Urge Iraqi Withdrawal

BK2401013691 Hong Kong AFP in English 2336 GMT 23 Jan 91

[Text] Singapore, Jan 23 (AFP)—Moslem members of Parliament in Singapore Wednesday rejected claims by Iraq that it was promoting the Islamic cause in the present Gulf war and called for its immediate withdrawal from Kuwait.

In a statement the Moslem MPs said they deeply regretted developments that led to the war and expressed full support for the United Nations Security Council resolution for a withdrawal of Iraqi forces from Kuwait.

They called on Iraq to "totally and immediately withdraw its forces from Kuwait and avoid further bloodshed."

The statement said "The Iraq invasion and annexation of Kuwait is an act of aggression by a bigger and stronger nation against its smaller and weaker neighbour. The existing conditions related to the Gulf war are political and are therefore non-religious in nature," the statement said.

Stating there was no direct link between Iraq's occupation of Kuwait with the Palestinian issue, the MPs urged Moslems in Singapore not to be misled by President Saddam Husayn's attempt to link the war with the Palestinian issue.

But the MPs said they were of the view that a durable peace in the Middle East could only be achieved through a just solution of the Palestinian issue. There are ten Moslem MPs, all on the government bench, in the parliament which has 81 elected members.

Singapore was amongst the countries that implemented the Security Council resolution calling for economic sanctions against Iraq.

Earlier this week Singapore sent a 31-member medical contingent to Saudi Arabia to provide humanitarian aid for the wounded in the war.

War 'Political,' Not Religious

BK2401070091 Singapore THE STRAITS TIMES in English 23 Jan 91 p 8

[Text] The Mufti of Singapore, the highest religious leader for Muslims here, has said that the Gulf war between Iraq and the US-led alliance is not a jihad (holy war) of Muslims against non-Muslims.

"It is not a religious war, but a war based on political reasons," said Haji Syed Isa Semait in an interview with THE STRAITS TIMES yesterday.

However, he stressed that the conflict could be described as a holy war if Islam as a religion was being threatened and if the sanctity of the two holy cities in Saudi Arabia was violated.

"If Islam is violated, and Mecca and Medina were desecrated, then it is our responsibility to defend Islam and such a war is jihad," he said.

The Mufti also said that the calls made by both the Iraqi and Saudi Arabian religious authorities—that the battle was for each side a holy war—was based on their interpretation of the Islamic call for jihad.

Iraqi President Saddam Husayn had, at the start of the Gulf war, called on Muslims to unite in a holy war and attack allied interests everywhere.

In turn, Saudi Arabia's most senior Islamic authority, the Council of Ulema, had issued a decree too, sanctioning a holy war against Mr Saddam by all Muslims and those assisting them.

But the Mufti here said: "They made these different calls based on their own interpretation, given the conditions in their countries."

The Mufti noted that the best that Muslim Singaporeans could do was to pray that the fighting would stop immediately and peace would ensue.

To aid Muslims in this effort, he has made a special doa (prayer) that will be passed on to all the 75 mosques in Singapore, to be read out after daily prayers and the Friday prayer session.

The Acting President of the Islamic Religious Council (Muis), Haji Shafawi Ahmad, said that Muis was printing copies of the doa for peace and would encourage mosque leaders to pass them on to Muslims to be read out in their own prayers at home.

The special doa calls for an end to the Gulf war and urges those involved in the conflict to feel so moved by the atrocities of war as to want to search for peace.

It also calls for an end to enmity between all sides, and for the protection of Muslim holy sites and institutions.

Haji Shafawi added that the doa would be accompanied by a letter to mosque committees exchorting them to put aside their individual positions or views on the war for the moment and pray for peace.

Bomb Hoax at U.S. Embassy

BK2401005891 Hong Kong AFP in English 0011 GMT 24 Jan 91

[Text] Singapore, Jan 23 (AFP)—A security guard was charged in a magistrates' court Friday for making two bomb hoax telephone calls to the police saying explosives had been placed outside the United States Embassy here.

Karapan Kaneson, whose age was not disclosed, was said to have made the phone calls from his place of work. The first call was made four days ago while the second was made Tuesday. The court ordered him to be remanded for further investigations.

Singapore police have increased security at the U.S. Embassy and missions of several other Western countries due to the Gulf war. Security at oil refineries has also been tightened. Tuesday the government announced that nationals of some Middle East countries would now require visas to enter Singapore in view of possible terrorist activities in the region.

Cambodia

Paris Court Fines Sihanouk in Defamation Suit

BK2301141691 Hong Kong AFP in English 1107 GMT 23 Jan 91

[Text] Paris, Jan 23 (AFP)—A Paris court on Wednesday handed down a 20,000 franc (4,000 dollar) fine on former Cambodian ruler Prince Norodom Sihanouk after finding him guilty of defaming Phnom Penh's Foreign Minister Hor Namhong.

Roger Therond and Remi Favret, director and a journalist of the Sunday weekly JOURNAL DU DIMANCHE, in which the offending statement was published, were each fined 15,000 francs (3,000 dollars) each.

The paper in July 1989 printed an interview with the prince in which he accused the foreign minister of having run a Khmer Rouge concentration camp.

The JOURNAL DU DIMANCHE interview had been published on the sidelines of the international conference on Cambodia that has been seeking to find a negotiated settlement to the power struggle in the Southeast Asian nation.

The court said the statement by the former monarch was an "exceptionally serious" case of defamation.

The wording of the statement was "justified neither by the historical context nor by the political debate, however caustic that might be".

Outsiders Should Solve External Aspects of Problem

BK2401065991 Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Jan 91

[Station commentary: "The Internal and External Aspects of the Cambodian Problem Should Be Clearly Distinguished"]

[Text] Everyone knows that the Cambodian problem, which has been deadlocked, has two interrelated aspects and that solving these aspects rests with different authorities. One of these aspects is the international one, which involves the ending of military aid, a guarantee for implementing agreements, and the supervision of free and just elections in Cambodia. This is the task of countries which are members of the United Nations, based on the UN Charter and respect for the independence and sovereignty of the State of Cambodia. The other aspect involves the right to self-determination, which is the prerogative of the Cambodian people and which no country or organization can replace.

But the Sihanouk, Son Sann, and Pol Pot groups and the countries backing them have jumbled these two aspects and forced the Cambodian people to accept that which conforms with their desires. The Cambodian people lately have welcomed the international community—friendly countries near and far, particularly the five major countries and permament members of the UN Security Council—for their goodwill and efforts to resolve the Cambodian problem. These efforts are limited to the external aspects of the Cambodian problem. This is one of the principles of the UN Charter, which states that the United Nations has no right to adopt any decision on issues relating to any country's sovereignty.

The Cambodian people also categorically oppose maneuvers to interfere in Cambodia's internal affairs, which is the responsibility of Cambodian parties. A sovereign state's internal affairs should be solved by that sovereign state without outside interference. Lately, several countries have interfered in Cambodia's internal affairs, such as dissolving and disarming troops, carrying out administrative tasks on behalf of the existing government, and even determining the future of Cambodia, which is the Cambodian people's inalienable right. What these people have not thought about is that no foreign country or organization can solve problems that cannot be solved by Cambodian parties.

This is why in the statement of the last meeting between the Paris Conference on Cambodia [PCC] cochairman and members of the Supreme National Council [SNC] in Paris it is specified that the remaining issues will be further discussed within the coordinating committee and among the SNC members by paying attention to various views expressed by the SNC members. If people continue to obfuscate the two aspects of the Cambodian problem, they are not only going against the UN Charter but also complicating and bogging down the Cambodian problem further.

In accordance with the UN spirit, the PCC, like the United Nations, only have the right to solve the external aspects of the Cambodian problem. As for Cambodia's internal affairs, these should be solved by the Cambodian people themselves. Therefore, to move toward genuinely solving the Cambodian problem justly, correctly, and reasonably, the internal and external aspects should be clearly distinguished.

Chea Soth Heads Planning Ministry Annual Meeting

BK2401054791 Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Jan 91

[Text] On the morning of 23 January at the office of Planning Ministry's Wage and Labor Department, the 1991 annual state planning meeting was solemnly held under the chairmanship of Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers.

A report by Comrade Chea Chanto, alternate member of the party Central Committee and planning minister, highlighted the results of the implementation of the 1990 state plan. In the food sector, we achieved 83 percent of the plan and planted between 70 and 90 percent of the subsidiary and industrial crops planned, such as sugarcane, sesame, soybeans, and tobacco. In animal husbandry, the amount of cattle has been raised to 2,917,100, or 103 percent of the plan. The rubber industry also achieved fairly good results. Over 52,200 hectares have been exploited, or 97 percent of the plan. The total production of crepe rubber is 34,700 tonnes. In forestry and fishing, we produced more than 218,000 cubic meters, or 87 percent of wood, and caught more than 104,000 tonnes of fish or 130 percent of the plan, including more than 32,600 tonnes of sea fish.

Remarkable progress has been made in industry, trade, and communications, transport, and posts. Although we had some difficulties in education, public health, information and culture, and social affairs, we gradually overcame them and have made efforts to raise and ensure appropriate quality as well as competence.

Speaking on this occasion, Comrade Chea Soth stressed that the 1991 tasks are greatly significant to defending and building the country and nation. Therefore, to ensure that the implementation is performed well, the meeting should discuss and debate issues in depth. Each section of the Planning Ministry and relevant ministries should provide clear guidance in accordance with their tasks and responsibility on the principles to be implemented in 1991.

Hun Sen Greets USSR Prime Minister on Post

BK2301070291 Phnom Penh SPK in French 1126 GMT 22 Jan 91

[Text] Phnom Penh 22 January (SPK)—Hun Sen, chairman of the Council of Ministers of the State of Cambodia [SOC], conveyed a message of warm greetings to Valentin Pavlov on the latter's nomination as chairman of the USSR's Council of Ministers.

The message says in essence: "My government has followed with great interest the current evolution of the situation and changes in the USSR. I fervently hope all the problems faced by the Soviet Union at present will be settled soon for the sake of the Soviet people.

Availing myself of this opportunity, I again would like to express the SOC Government's thanks to the Soviet Government for its unswerving support for the just cause of the Cambodian people.

I am firmly convinced that the relations of friendship and multifarious cooperation between our two states will further develop for our mutual interests, thereby contributing to peace, security, and stability in Southeast Asia and the world."

Hor Namhong Greets Bessmertnykh

BK2301070891 Phnom Penh SPK in French 1130 GMT 22 Jan 91

[Text] Phnom Penh 22 January (SPK)—Hor Namhong, foreign minister of the State of Cambodia [SOC], conveyed a message of greetings to Aleksandr Bessmertnykh, who was recently appointed foreign minister of the USSR.

The message read:

"I have no doubt that under your leadership, our two ministries will continue to develop their traditional good cooperation in all fields and that the SOC is able to always, as in the past, count on the USSR's support in defending its just cause to safeguard Cambodia's independence and sovereignty.

"May you have good health and every success in implementing your new task."

Lao Military Delegation Arrives on 4-Day Visit

BK2401053491 Phnom Penh SPK in English 0413 GMT 24 Jan 91

[Text] Phnom Penh SPK January 24—At the invitation of the Ministry of National Defence of the State of Cambodia, a Lao military delegation led by Lieutenant-General Choummali Sai-gnason, candidate Politburo member of the Lao People's Revolutionary Party Central Committee and first deputy minister of national defence of the Lao People's Democratic Republic, arrived in Phnom Penh Wednesday on a four-day official friendship visit here.

Lieutenant-General Choummali Sai-gnason and his party were welcomed at Pochentong Airport by Lieutenant-General Ke Kimyan, member of the People's Revolutionary Party of Kampuchea Central Committee and first deputy minister of national defence of the State of Cambodia; Lieutenant-General Soy Keo, deputy minister of national defence; and other senior officers.

Somphong Vanitsavet, charge d'affaires a.i. of the Lao Embassy in Phnom Penh, was also on hand.

3,043 'Misled' Khmer Members Surrender in 1990

BK1901093291 Phnom Penh SPK in English 0452 GMT 19 Jan 91

[Text] Phnom Penh SPK January 19—Last year, 3,043 men of the three Khmer opposition factions gave up their ranks and reported themselves to the authorities across the country.

The returnees, including 1,627 ex-Polpotists, 815 ex-Sonsannians, and 601 Sihanoukists, surrendered 2,875 assorted guns to the authorities.

The biggest numbers of returneess were registered in the provinces of Siem Reap-Oddar Meanchey, Banteay Meanchey, Battambang, Kompong Thom, Kompong Cham, and Pursat.

According to the commission for reception of misled people, in 1989, 5,367 misled people returned to the community, bringing along 3,547 guns of various calibers.

Ministry Reports 9,453 Enemy Casualties in 1990

BK2101103691 Phnom Penh SPK in French 0133 GMT 21 Jan 91

[Text] Phnom Penh 21 Jan (SPK)—The government Armed Forces put out of action 9,453 enemy soldiers during their counter-operations in 1990, according to a communique of the Defense Ministry.

The communique stated that 5,735 of them were killed on the spot, 1,213 were captured, and 1,144 others forced to surrender.

The government forces also seized 3,116 weapons, 23 walkie-talkies, 297 metric tons of ammunition, six metric tons of rice, 113 boats, and other war materiel.

The armed forces of the provinces of Banteay Meanchey, Battambang, and Siem Reap-Oddar Meanchey alone put out of action 1,237, 202, and 1,718 Khmer opposition soldiers respectively.

During the same year the authorities of various provinces welcomed back to the fold a total of 3,043 returnees, including 1,627 Polpotists, 815 Sonsannians, and 601 Sihanoukists who brought along with them 2,875 assorted weapons.

SPK Sums Battles for Week Ending 12 Jan

BK2101061491 Phnom Penh SPK in English 0454 GMT 21 Jan 91

[Text] Phnom Penh SPK January 21—In the week to Jan. 12, the enemy troops fired hundreds of artillery and mortar shells on areas in the northwestern border provinces of Siem Reap-Oddar Meanchey and Banteay Meanchey.

On Jan. 5 alone, Somraong District was hit by 300 shells.

In the meantime, the government forces intercepted enemy infiltrators, wiping out 82 of them, capturing 18, and forcing 48 others to surrender. They also seized 95 assorted guns, one walkie-talkie and a large quantity of other war equipment.

Military Actions in Week Ending 19 Jan Reported

BK2401053191 Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Jan 91

[All figures as heard]

[Text] In the week ending 19 January, the three groups of reactionary Cambodians continued their shelling on several areas adjoining the motherland's northwest border, particularly in Battambang, Banteay Meanchey, and Siem Reap-Oddar Meanchey Provinces. A total number of approximately 1,500 to 2,000 shells were fired.

During the same period, units of our Armed Forces sharpened their fighting spirit, courageously defended their positions, and counterrattacked and thwarted the bandits' attempts to infiltrate the country on every battlefield. In the past week, our People's Armed Forces put out of action 67 enemy soldiers, including 57 killed and a number of others wounded; four were taken prisoner; and another 45 forced to surrender. Our Armed Forces also seized 45 assorted weapons, over 9,000 rounds of various types of ammunition, and a large quantity of other materiel.

Battle Successes in Northwest Provinces Reported

BK2401053391 Phnom Penh SPK in French 0404 GMT 24 Jan 91

[Text] Phnom Penh 24 Jan (SPK)—During a counter operation in Pongro Commune on 10 January, the armed forces of Siem Reap-Oddar Meanchey Province killed 13 enemy soldiers on the spot and seized a considerable amount of ammunition.

On the same day, 10 other soldiers of the three Khmer opposition factions were killed and five weapons were seized in Pralay Commune, Stoung District, Kompong Thom Province.

Moreover, on 9 January the armed forces of Battambang Province attacked the enemy sneaking into Moung Russei District. They killed five adversaries and seized five weapons and 9,049 rounds of ammunition. Also on 9 January, during an operation in Phnum Kulen Disitrict, the armed forces of Preah Vihear Province put out of action 10 enemy soldiers, including five killed, and seized two weapons.

It is to be recalled that during the last quarter of 1990, the Cambodian People's Armed Forces put out of action 749 enemy soldiers, 359 of whom were killed on the spot, including five lieutenants.

According to sources in the 4th military zone, the combatants of the State of Cambodia killed a total of 31 enemy soldiers in the regions of Chhuk, Phnum Srok, and Khum Thmei on 9, 12, and 16 December.

Indonesia

PLO Envoy Seeks Indonesian Role for Gulf Peace

BK2301153691 Jakarta Domestic Service in Indonesian 1500 GMT 23 Jan 91

[Text] Palestine ambassador to Indonesia Ribbi Halum says that Indonesia, as an important member of the Nonaligned Movement and a country that has been respected by many countries in the international arena, will be able to push for peace in the Gulf region. Speaking to newsmen following talks with Foreign Minister Ali Alatas in Jakarta, Ribbi Halum expressed his confidence that Indonesia would continue to contribute to peace. He said that the Palestine government had contacted a number of other Asian countries to work for peace in the Gulf region.

UN Urged To Work Out Gulf Cease-Fire

BK2301154991 Jakarta Domestic Service in Indonesian 1500 GMT 23 Jan 91

[Text] The Indonesian Islamic Missionary Council has called on the United Nations to work out a cease-fire in the Gulf and subsequently convene peace talks. In a press release in Jakarta today, the Indonesian Islamic Missionary Council also hopes that the Arab League and the Islamic Conference Organization will enhance their roles in seeking a settlement of the Gulf crisis. The Indonesian Government, as a member of the Islamic Conference Organization, the Nonaligned Movement, and the United Nations, has been urged to actively strive for a settlement of the Gulf crisis by peaceful means. The Indonesian people have been asked to help war victims in the same way as the Indonesian Mosques Union is doing in cooperation with the Indonesian Red Cross Society.

Minister: Oil Not To Exceeed $25 Per Barrel

BK1901091991 Jakarta ANTARA in English 0653 GMT 19 Jan 91

[Text] Jakarta, Jan 19 (OANA-ANTARA)—Minister of Mines and Energy Ginanjar Kartasasmita stated here Saturday oil price on the world market would not return to more than U.S. $25 per-barrel since the world was fully aware that the Gulf war did not affect oil supplies.

On the current tendency of decreasing world oil prices after the outbreak of the war in the Gulf, the minister further said, the recent oil price hike, recorded at more than U.S. $30 per barrel, was mostly caused by psyc [as received] concerning the fear that world oil supplies would be affected if the war broke out in the Gulf.

So far, the current oil price decrease in the world market had not reached a critical point although the Organization of Petroleum Exporting Countries (OPEC) and Indonesia in particular should be on alert in anticipation of eventualities caused by the price drop.

We should not panic to see the current drop in oil prices since the prices are still fluctuating, said Ginanjar, while adding that the price level between 18 to 22 U.S. dollars per barrel was the proper one.

So far, while Indonesia didn't expect that the oil price would not drop to below U.S. $18 mark, it also didn't want to have [words indistinct] to over than 25 U.S. dollars per barrel.

Indonesia will be very glad if there will be a stable oil price with an OPEC oil benchmark price of 21 U.S. dollars per barrel, he insisted.

He further disclosed that the cabinet ministers under the coordination of the coordinating minister of economy, finance, and industry last Thursday discussed Indonesia's economic preparedness in anticipation of the current situation in the Gulf region.

In this connection, he went on, the current oil selling price estimate at 19 U.S. dollars per barrel for the draft 1991/92 state budget needed not to be revised.

OPEC and Indonesia will strive to maintain the current oil price level and to prevent the price from dropping to below U.S. $19 mark by controlling the current production level, he concluded.

Commentary: Saddam Knows Region, Little of World

BK1901024591 Jakarta Domestic Service in Indonesian 0000 GMT 19 Jan 91

[Station commentary: "New Gulf War"]

[Text] If the 1980-1988 Iran-Iraq war was called the old Gulf war, the Gulf war that started with the launching of operation "Desert Storm" against Iraq on Thursday should be called the new Gulf war. The difference is that the former lasted eight years, while the latter will probably last for a while unless it comes to resemble the Iran-Iraq war or even the Vietnam war. Operation "Desert Storm" has been launched by the U.S.-led multinational forces to force Iraq to withdraw from Kuwait in accordance with UN Security Council Resolution 678.

Almost everyone concludes that the new Gulf war erupted because Iraq refused to withdraw all its troops from Kuwait and that the Gulf crisis could have been settled peacefully had Iraq agreed to do so. Similarly, almost everyone concludes that the new Gulf war will end after Iraq agrees to withdraw all its troops from Kuwait. Iraq's refusal to withdraw all its troops from Kuwait has been known since Baghdad signed a peace accord with Tehran last September and since President Saddam Husayn on 12 August linked Iraqi-occupied Kuwait with Israeli-occupied Palestine.

The five-month-old Gulf crisis has shown that the Iraqi president is fully knowledgable about Middle East affairs but has very limited knowledge of world affairs. Thus, if the world worked in a way identical to that of the Middle East, he would have been able to settle the Gulf crisis in accordance with his policy. However, the Middle East does not work in a way identical to that of the world as a whole. From the Middle East angle, linking Kuwait with Palestine would be accepted as a great initiative. This is, however, not the case from the world angle. That is why Iraq did not expect the world to react so strongly to the annexation of Kuwait. This might not have been so if the world worked in a way identical to that of the Middle East. That is also why Iraq has disregarded the role of the United Nations, with the Security Council as its specialized agency, and the new Gulf war erupted—a war whose participants are more complex than those of the old Gulf war. A lesson to be drawn from this reality is that it would be inadequate for every Middle East country to know only its own region.

Papers View Impact of War on Economy, Oil Prices

BK2101095091 Jakarta Domestic Service in Indonesian 0600 GMT 21 Jan 91

[From the Press Review]

[Text] The MERDEKA daily notes that at the moment the Indonesian community is eager to know what effect the Gulf war will have on Indonesia's economy and about efforts initiated by the government in anticipation of negative effects of the war.

According to MERDEKA, based on the current flexible attitude shown by the Indonesian Government toward globalization of the world's economy, the war could have considerable effect. It is said that under global political conditions such as those of late, protectionism will definitely be the main cause of another such war in the future. If the problem has reached such a level, like it or not we should closely monitor our own domestic marketing system. We must also be prepared to no longer rely on imported consumer goods.

BERITA YUDHA views the Gulf war in connection with oil prices. The daily says Indonesia, being one of the oil producing countries, though it is no longer solely dependent on oil, still must pay full attention to the development of oil prices in world markets. The daily, handled by the chairman of the Indonesian Journalists Association, says Indonesia need not panic. Even though the current world oil price is fluctuating between $18 to $22 per barrel, OPEC member nations will initiate steps to prevent the fall of oil prices to below $19 per barrel.

Paper Claims Allied Bombing Outside UN Resolution

BK2401123091 Hong Kong AFP in English 1146 GMT 24 Jan 91

[Text] Jakarta, Jan 24 (AFP)—The bombardment of Iraq by the United States and its allies falls outside a United Nations' resolution allowing the use of force to expel Baghdad from Kuwait, Indonesia's leading SUARA KARYA daily said Thursday. The newspaper of the ruling Golkar Party called for a review of the U.N. resolution and warned that the 15-member U.N. Security Council, which passed the motion, would be responsible for the deaths of Iraqi civilians.

The bombardment of Iraq for the past week "has not been within the spirit of the resolution to remove Iraq out of Kuwait," SUARA KARYA said. It said that rather than bombarding Iraqi forces occupying Kuwait, the allied moves had been aimed more at "the destruction of

Iraq". The bombardment "further violates the spirit of the resolution because the massive bombings will certainly kill Iraqi civilians."

"Every security council member, except the ones who had opposed (the use of force) from the start, shares the responsibility for the massacre of Iraqi civilians bound to be hit by the allies' bombardment," SUARA KARYA said.

Indonesia, the world's largest Moslem nation, has officially deplored the war in the Gulf and has taken a neutral position in the conflict, abiding by a U.N.-mandated trade embargo against Iraq but refusing to join the U.S.-led multinational force.

Alatas Discusses UN Talks on East Timor

BK2201151691 Jakarta ANTARA in English 0828 GMT 22 Jan 91

[Excerpt] Jakarta, Jan 22 (OANA-ANTARA)—United Nations Secretary General Javier Perez de Cuellar has expressed the hope that the Portuguese Government should immediately respond to the UN proposal for the sending of a joint mission to East Timor, Foreign Minister Ali Alatas disclosed here Tuesday.

Speaking to newsmen after reporting to President Suharto at his Jalan Cendana mansion on a recent UN conference on the amendment of the nuclear test ban treaty in New York, Alatas further said that the Portuguese Government had demanded for the sending of a parliamentary delegation to East Timor, a former Portuguese colonial territory which is now an integral part of Indonesia.

The United Nations has proposed to the Lisbon government for the sending of a joint mission between the Portuguese parliamentary delegation and a UN team to closely observe on the current situation in East Timor.

So far there is no a definite answer from the Portuguese Government on the UN proposal on the sending of a joint mission between Portuguese parliamentary delegation and a UN team to East Timor, he said.

Alatas went on to say that the UN secretary general hoped for an immediate response from the Lisbon government.

Although the Indonesian Government (?has yet to) fix any time limit for the trip, Alatas hoped that the visit would be made this year. [passage omitted]

Laos

Finance Minister Dies in Vientiane 23 Jan

BK2301124691 Vientiane Domestic Service in Lao 1200 GMT 23 Jan 91

[Press release on death of Sali Vongkhamsao issued by the Lao People's Revolutionary Party Central Committee, Standing Committee of the Supreme People's Assembly, Council of Ministers, and Lao Front for National Construction Committee of the Lao on 23 January—read by announcer]

[Text] To fraternal compatriots of all tribes, cadres, party members, combatants, state employees nationwide:

The Lao People's Revolutionary Party Central Committee, Standing Commitee of the Supreme People's Assembly, Council of Ministers, and Lao Front for National Construction wish to relay mournful news to the fraternal compatriots of all tribes, and cadres, party members, combatants, and state employees nationwide that Comrade Sali Vongkhamsao, member of the party Central Committee Political Bureau and Secretariat, vice chairman of the Council of Ministers, minister of economics, planning, and finance, and member of the Second Supreme People's Assembly, had been suffering from an ailment during the last several months. During that period, the party, government, doctors, and members of his family paid close attention and did their best to take care of him. Due to the seriousness of his ailment, they were unable to save him. At 1655 on 23 January 1991, Comrade Sali Vongkhamsao passed away at Hospital No. 1 in Vientiane at age 66.

Comrade Sali Vongkhamsao's body is being kept at the clubhouse of the office of the party Central Committee and Council of Ministers in Vientiane Municipality to allow party and government leaders, ministers, members of state committees, mass organizations at the central and municipal levels, cadres, party members, combatants, state employees, general public, and members of his family to pay final tribute to him, recall his high honor and the good deeds he has devoted to our country's and people's revolutionary cause, and share grief and sorrow with members of his family.

The public is hereby informed.

Vientiane, 23 January 1991

[Signed] Khamtai Siphandon, on behalf of the party Central Committee Secretariat.

Press Release Issued on Party Plenary Session

BK2001091991 Vientiane Domestic Service in Lao 1200 GMT 19 Jan 91

[Press release on the 10th enlarged plenary session of the fourth party Central Committee]

[Text] The 10th enlarged plenary session of the fourth party Central Committee was opened on 3 January and closed on 19 January with brilliant success under the chairmanship of Comrade Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party [LPRP] Central Committee. Attending the session were members of the party Central Committee Political Bureau and Secretariat and party Central Committee. Ministers, heads of organizations of ministerial status, deputy ministers, deputy heads of the organizations, secretaries of provincial party organizations, chairmen of provincial administrative committees, diplomats, representatives of mass organizations such as the Lao Buddhist Fellowship, Lao Front for National Construction [LFNC], youth unions, women's unions, trade unions, farmers, pensioners, intellectuals, and businessmen nationwide were also invited to attend the meeting.

During the session the participants discussed and commented on the draft political report to be presented to the upcoming fifth party congress. The session was highly unanimous in its agreement with the lines and policies highlighted in the draft political report which stipulates the party's line of restructuring, strategies, and tactics for the new era. These are aimed at continuing building and expanding the popular democratic system which were designed to creatively apply Marxism-Leninism with the actual conditions in our country. These policies are based on the practical and theoretical experiences drawn from the implementation of the resolutions of the fourth party congress and party Central Committee and good lessons learned from international developments. The session unanimously agreed that the great achievements and victories in many aspects accomplished in the past are the firm foundation and turning point of the task of restructuring, thus promoting the popular democratic system conducive to building a peaceful, independent, consolidated, and prosperous Laos.

In the process of organizing the implementation of the renovation policy during the past years, the Lao People's Democratic Republic, despite numerous difficulties and obstacles, has managed to fully defend national independence, sovereignty, and territorial integrity. The Armed Forces were defending the nation and maintaining peace and order as the people successfully foiled every enemy attempt to topple our new regime, thereby safeguarding political stability and social peace and order. Many aspects of the economic foundation have been expanded. Education, public health services, and culture have been promoted. The living conditions of the people of all strata have been improved step by step. The advancement of the popular democratic system has concretely promoted the people's democratic rights.

The session wholeheartedly praised the endeavors made by party members, cadres, combatants, state employees, and the people in the entire country to fulfill their duties and obligations in contributing to the overall victory of the nation and expressed gratitude for the support, assistance, and cooperation rendered by friends worldwide. Our party has reaffirmed its basic concept of regarding the promotion of the popular democratic system as the goal and direction which must be followed in conformity with realities in our country and the rule of social expansion. We must continue implementing the comprehensive task of restructuring, shifting natural and autarkic economy to commodity-oriented economy step by step, uprooting the centralized bureaucratic management mechanism, shifting to new management mechanism in line with the marking mechanism under the state supervision, creating multi-sector economy and various forms of ownership at different levels, regarding household economy as the foundation, widening relations and cooperation with foreign countries, and applying scientific and technological advances with production to develop the national economy.

Touching on social policy, our party holds aloft the banner of unity among the people of all strata, faiths, and tribes rallying around the LFNC; implements the policies of equality, reconciliation, and unity among tribes; enhances the people's consciousness; builds and trains workers and cadres so that they possess knowledge in sciences, technologies, management, and businesses; promotes cultural heritage of the nation; selectively make use of the successes of civilization; pays attention to the problem of social welfare; and implements social justice.

Touching on the renovation of the political system, it is our party's attitude that the LPRP is the center of the political system and plays the leading role in the entire society. The party must be strong politically, ideologically, and organizationally. The party apparati and the administrative power must be improved and strengthened so they can truly serve and belong to the people in social management. The people's right to mastery must be guaranteed according to the Constitution and laws while democracy is promoted and mass and social organizations encouraged to exploit all potentials and creativity of the masses and economic sectors and potentials of the country to facilitate national development in conformity with the party's lines and policies and state laws.

Our party unswervingly adheres to the foreign policy of peace, independence, friendship, relations, and cooperation with all countries on the basis of the five principles of peaceful coexistence; vigorously supports the struggle for peace, national independence, democracy, and social progress.

The session expressed concern over the war in the Persian Gulf, which has affected world peace and order. The session called on all parties involved in the war to practice restraint and work toward quickly ending the war and settling the conflicts peacefully to extricate mankind from the disasters and calamities of this war.

The session called on the entire party members, cadres, and people in the country to exert efforts to accomplish greater achievements and victories in all fields to welcome the upcoming fifth party congress.

Accords With USSR Based on 'New Mechanism'

BK2301093891 Vientiane KPL in English 0900 GMT 23 Jan 91

["Lao-Soviet Economic Cooperation Based on New Mechanism"—KPL headline]

[Text] Vientiane, Jan 23 (KPL)—Three documents on Lao-Soviet economic and trade cooperation to be conducted under the new management mechanism were signed here yesterday between Deputy Minister of Economy, Planning and Finance Khamsai Souphanouvong, who is also vice-chairman of the Lao-Soviet economic cooperation commission, and the head of the Soviet visiting delegation Mr. Bruchev, who is member of the Planning Committee of the Soviet Union.

Of the documents, the first deals with application of new mechanism in bilateral economic relations, the second with goods exchanges with convertible foreign currencies, and the third with general procedures on debt clearing to the made by the Lao side from 1991 until the year 2005 . The clearing will be in the form of goods supplied batch by batch to the Soviet Union. All the agreements will be effective starting in 1991.

Oudom Khatthi-gna Receives Soviet Amity Group

BK2401111291 Vientiane KPL in English 0915 GMT 24 Jan 91

[Text] Vientiane, Jan 24 (KPL)—Mr. Oudom Khatthi-gna, secretary of the Central Committee of the Lao People's Revelutionary Party (LPRP CC), head of the LPRP CC Organisational Board, in charge of the mass organisations, received here yesterday morning Vice President Tolstikov of the Soviet Commission for the Solidarity with Asian and African People, and Mr. Maslin, president of the Soviet-Lao Friendship Association.

During the meeting, the Soviet delegation informed Mr. Oudom Khatthi-gna of its activities dealing with the promotion of the future cooperation between the two sides, especially the fund raising of the Lao Committee for World Peace and the Lao-Soviet Friendship Association here. The Soviet delegation had paid courtesy calls on Mr. Singkapo Sikhotchounlamani, president of the Lao Committee for World Peace, and Mr. Bouathong, president of the Lao-Soviet Friendship Association.

Mr. Oudom Khatthi-gna highly valued the Soviet delegation's visit to Laos, describing it a contribution to the promotion of the all-round cooperation between Laos and the Soviet Union and, at the same time, an encouragement to convince Lao ethnic people of the Soviet policy.

The Soviet delegation arrived here on January 18 and returned home yesterday. The visit was made in response to the invitation of the Lao Committee for World Peace.

Vietnamese Army Folk Art Troupe Arrives on Visit

BK1901131091 Vientiane Domestic Service in Lao 1200 GMT 17 Jan 91

[Text] A folk song and dance troupe of the Vietnamese People's Army arrived in Vientiane on the afternoon of 15 January for a friendship performance visit to Laos on the occasion of the 42d anniversary of the Lao People's Army. This folk art troupe was founded in 1950. It is considered to be an outstanding troupe which has gained wide popularity from the masses both at home and abroad.

This is the first time that this folk song and dance troupe pays a friendship performance visit to the Lao People's Democratic Republic. The troupe consists of 20 performers altogether, including five outstanding singers and dancers.

Phoun Sipaseut Receives New Palestinian Envoy

BK2401111091 Vientiane KPL in English 0850 GMT 24 Jan 91

[Text] Vientiane, Jan 24 (KPL)—Mr. Phoun Sipaseut, vice chairman of the Council of Ministers and minister for foreign affairs, received here yesterday afternoon Mr. Salim 'Umar Shalih [as received], new ambassador extraordinary and plenipotentiary of the state of Palestine to Laos.

The discussion proceeded in a cordial atmosphere.

The Palestinian ambassador presented his credentials to the Lao acting president on Janunary 18.

Editorial on Anniversary Praises Army's Progress

BK2001121591 Vientiane Domestic Service in Lao 0000 GMT 20 Jan 91

[19 January PASASON editorial: "Forty-two Years of Development and Victories of Lao People's Army"]

[Text] Respected listeners, today—20 January—marks the 42d founding anniversary of the Lao People's Army [LPA]. Our cadres and combatants are highly elated and proud, together with the multiethnic Lao people throughout the country, to celebrate the 42d anniversary of the Army. January 20 is regarded as a grand festival day for our Army and people across the country. It is the day when the entire Army and people join in saluting and greeting the growth, strength, and glorious victories of our revolutionary Armed Forces; the combat achievements won in carrying out the past national-democratic revolution and in carrying out the national defense and public security work as well as in building the economy during the last 15 years; the glorious victories achieved in pursuing the line of our Lao People's Revolutionary Party [LPRP] on people's warfare; and the great achievements won in pursuing our party's line on the building of the Armed Forces.

Founded, grown up, and developed amid the high current of our multiethnic Lao people's revolutionary struggle under the glorious banner of the party, both in wartime and peacetime, our Armed Forces have always adhered to and implemented the slogan: loyal to the nation, wholeheartedly serve the people, promote and expand the true revolutionary tradition, and accomplish all tasks. Throughout the past 42 years, the LPA has covered many difficult and complicated crossroads and furious trials, and, together with the multiethnic people, heroically fought in an unyielding spirit and a spirit of fearing no sacrifices, thereby winning marvelous achievements and painfully defeating the enemies—foreign aggressors and domestic reactionaries.

Noteworthy is that during the last 15 years, or since the complete liberation of the country, adhering to the party's comprehensive line on the people's national defense and public security in combination with the economic construction, our Armed Forces have always heightened their vigilance, maintained combat readiness, and fought effectively while positively taking part in setting up political foundations, building the economy, developing the culture, promoting and perfecting the popular democratic system, and outstandingly fulfilling their responsible tasks. They have joined with the multiethnic people in securely defending the country and maintaining the revolutionary gains, thus bringing about new changes to the country and tranquility and prosperity to the people. As a result, the people have come to be absolutely confident in the party's leadership and understand the fact that only under the LPRP's leadership, can the Army stay strong and the nation enjoy prosperity and durable stability.

During the last 42 years, with the correct guideline and the talented leadership of the LPRP, with the spirit of perseverance and determination to fight and defeat the enemies, with the spirit of self-reliance and the determination to build their own strength, with the strength of the Laos-Vietnam-Cambodia combat alliance, and with the great and precious support from various fraternal socialist countries and friendly countries all over the world, the LPA, together with the multiethnic Lao people, have unprecedentedly created a bright history for the nation. The country has now been developed in the socioeconomic field along an ever more prosperous and plentiful path.

With the aforesaid meritorious deeds and praiseworthy achievements, in the past as well as in the present, our LPA has been always praised and hailed by the party and government as a heroic army and an army which is profoundly loyal to the party's revolutionary cause and which sincerely undergoes sacrifices for the independence and freedom of the nation, for the solidarity and equality among the multiethnic people, and for the prosperity and happiness of the laboring people. Our Army has always upheld the spirit of self-reliance and self-sufficiency and been determined to overcome all difficulties to fulfill all tasks.

To praise and engrave the said meritorious deeds, on the occasion of the commemoration of the 30th anniversary of the LPA, the Council of Ministers and the Supreme People's Assembly agreed to confer the gold medal—the highest orders of distinction of the LPDR—on the LPA. This was considered the lofty honor and great pride for our Army as well as for our entire Lao people.

To be worthy of the trust and the affection of the party, the state, and the people, officers and men and national defense state employees and workers in the ranks of the regular Armed Forces, regional armed forces, militia-guerrillas, and public security forces are requested to strive to promote and expand their true nature of revolutionary, fine traditions, always heighten the vigilance—be it wartime or peacetime—and strictly perform the army duties to deserve to be a revolutionary army, a people's army, and the fence of the country. Let our Army be prepared to fulfill the tasks of defending the country, maintaining public security, and protecting lives and property of the people in order to make the already peaceful country become ever more peaceful and stable. Let our Army positively take part in motivating and persuading the people to turn to the grass roots to build the infrastructures of the people and of the Army, vigorously step up building the economy in military units and family economy, create favorable conditions for all units to effect new changes in the economic field and to develop the culture to make our country strong. Simultaneously, our officers and men and national defense state employees and workers are also requested to strive to build and consolidate Army and party units to turn them into all-round strong, firm, and secure units. All soldiers must maintain a firm political line of thinking, correctly distinguish friends from foes, and strictly implement rules, regulations, and discipline to fulfill all tasks. At the same time, soldiers of all corps and all combatants are requested to strengthen the solidarity with the multiethnic people and strive to help the people in all cases.

On this occasion, our cadres and combatants also would like to extend gratitude to the multiethnic people and the administrations at all levels for contributing their energies and sacrificing their spirit to fostering and nurturing the Army and building the LPA into the mature and strong army that it is today. Our Army pledges to do everything possible to ever brighten the solidarity between the Army and people. Let our Army enhance the true nature and traditions of a revolutionary army, be determined to safeguard, promote, and expand the 20 January traditions, and actively march forward to fulfill, ever more gloriously, all tasks of the party in the new stage of revolution!

Philippines

Fake 'Bomb' Deposited at U.S. Medical Facility

HK2401121191 Hong Kong AFP in English 1157 GMT 24 Jan 91

[Text] Manila, Jan 24 (AFP)—A box labelled "time bomb" was deposited at a U.S. medical facility in the Philippine capital Thursday but bomb disposal teams who rushed to the scene found no explosives in the package.

U.S. Embassy spokesman Stanley Schrager confirmed that the box, with writing on the sides saying: "Do not open. This is a time bomb. It may explode in your face," in Filipino, was found at the U.S. Naval Medical Research Unit of the government-run San Lazaro Hospital.

However, the ordnance experts found no bomb inside when it was opened, Mr. Schrager said, adding he did not know what was inside the box.

The incident occurred after an Iraqi national was killed and another Iraqi wounded when a bomb they were allegedly carrying to the U.S. Cultural Center here exploded prematurely Saturday.

League of Students To Hold Anti-U.S. Rally

HK2401122391 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 24 Jan 91

[Text] The League of Filipino Students [LFS] announced that they will hold a rally tomorrow against U.S. interference in the Middle East and in the Philippines.

LFS national vice chairman Robert de Castro said they will have a coordinated rally involving Metro Manila students as well as students from the provinces of Pampanga, La Union, Cebu, Tacloban, Leyte, Iloilo, and Davao where major U.S. facilities are located. According to de Castro, they will demand from the Aquino government the following: a neutral stand in the Gulf war, cancellation of the bases talks, invalidation of the Mutual Defense Treaty with the United States, a recalling of the Philippine medical team in the Middle East, the immediate evacuation of Filipino workers, and the withdrawal of IMF-World Bank impositions.

Further on Makati Bombing, Iraqis' Deportations

Consul Denies Involvement

HK2401094391 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 24 Jan 91

[By Loi Caliwan]

[Text] Iraqi Consul General Muwafak al-'Ani left the Ninoy Aquino International Airport for Amman, Jordan via Kuala Lumpur, Malaysia, today. Al-'Ani, along with his 35-year-old wife (Munjing Najillah), two children Obart, 10 years old, and Mustafa, eight years old, and his aide (Ayid Advik) boarded Malaysian Airlines flight MH-702 for Amman, Jordan. Al-'Ani was declared persona non grata by the Department of Foreign Affairs and was ordered to leave the country within 72 hours. He left today. Many international airlines refused to take Muwafak al-'Ani, but Malaysian Airlines agreed to fly Al-'Ani's family and left at 0545 [0745 GMT] this afternoon. Muwafak al-'Ani held a news conference for members of the local and foreign media who waited for over two hours for his press statement:

[Begin recording in English] [Al-'Ani] This is to tell you that I believe in freedom. I believe in democracy. And I have seen here the media are in a good shape. I have no specific statement. I would like to answer your questions if you like.

[Reporter] Is it true that you are really [words indistinct]?

[Al-'Ani] I am really very sorry to leave the friendly people of the Philippines. I'm going to miss them.

[Reporter] What is your reply?

[Al-'Ani] I categorically deny this accusation.

[Reporter] Do you think there is any external factor that caused your being declared persona non grata?

[Al-'Ani] I don't want to comment on this. This is their sovereign country and we believe that this is their sovereign country.

[Reporter] What can you say about the way you're treated at the airport?

[Al-'Ani] I really appreciate the treatment of the people at the airport and the military people. I understand that maybe this is not being provided for others maybe, and I'm going to remember this probe.

[Reporter] You're going back to...?

[Al-'Ani] I am going back to Baghdad. I finished my task as a diplomat. I'm going to be a fighter.

[Reporter] Where is your stop?

[Al-'Ani] I'm going to Malaysia for the time being.

[Reporter] Are you going to work?

[Al-'Ani] Yeah.

[Reporter] Sir, is it true that [you] know of the Makati bombing? And what is the reason for your expulsion?

[Al-'Ani] I understand that this decision has been taken even before this incident?

[Reporter] How long is it?

[Al-'Ani] I have no specific time. [end recording]

Up until he left, Al-'Ani was denying any knowledge of the Makati bombing on Saturday, adding that the Department of Foreign Affairs had no evidence to accuse him of involvement in the bombing.

'Immunity Does Not Apply'

HK2401035991 Manila MANILA BULLETIN in English 24 Jan 91 p 5

[Text] Department of Justice (DOJ) lawyers yesterday said Iraqi Consul General Muwafak Hassim Al-'Ani "is not immune to suits here for serious crimes committed not in relation to his duties."

Immunity does not also apply to the sons of the Iraqi ambassador to Somalia in the absence of proof that they are only passing through the Philippines en route to Somalia to join their father, the lawyers said.

Al-'Ani was declared persona non grata by the government for his alleged involvement in a Makati bombing incident.

Immigration Chief on Bomb Threats

HK2401095991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 24 Jan 91

[By Rey Arquiza]

[Text] Immigration Commissioner Andrea Domingo announced today the immediate deportation of the two Iraqi brothers, Hisham Abdul and Hussam Abdul Sattar in order not to aggravate the country's problem. She added that their continuous stay here affects the Philippines' security.

In her summary deportation order, in which the deportation of the brothers involved in the Saturday bombing explosion in front of the Thomas Jefferson Library in Makati is scheduled for tomorrow, Domingo stated that the two had plans to assassinate government officials who may obstruct their plan to sow terror in the country. In this connection, Commissioner Domingo alerted her security office after her office received calls from people who identified themselves as Iraqis and threatened to bomb the Immigration Department in the next few days.

Earlier, the U.S. Embassy in Manila briefed the CID [Commission on Immigration and Deportation] based on their intelligence reports that there are Iraqi nationals in the country who plan to bomb the Immigration Department because it impedes their terrorist plans.

Meanwhile, Commissioner Domingo said she received an intelligence report that two Iraqi nationals are said to be in Davao to coordinate with local communist terrorists. Domingo has ordered an investigation into this report. The Sattar brothers will be put on a Malaysian Airline flight for Malaysia tomorrow, where they can take a connecting flight for Amman, Jordan. This is the same flight which Muwafak al-'Ani took. He was expelled by the government for involvement in the Makati bombing.

Further on Deportations

HK2301134991 Hong Kong AFP in English 1330 GMT 23 Jan 91

[Text] Manila, Jan 23 (AFP)—The Philippine Immigration Bureau Wednesday ordered the deportation of two Iraqi brothers linked to a failed attempt to bomb a U.S.-run library here last weekend, even as other officials said there were plans to deport 12 other Middle Eastern and Japanese nationals.

The announcement came as paramilitary police in armoured troop carriers patrolled the diplomatic row of Makati district where the bombing attempt occurred, in order to thwart fresh terrorist attacks.

Immigration Commissioner Andrea Domingo ordered Hisham Hikmat Abdul Sattar, 27, and his brother Husham Abdul Sattar, 28, deported by Friday "for their involvement in the bombing incident," her spokeswoman said.

The deportation order followed an expulsion notice served by the Foreign Affairs Department on the Iraqi consul-general in Manila, Muwafak al-'Ani, for allegedly taking a direct hand in the bombing plot.

An Iraqi man was killed and another wounded when a bomb they were apparently about to plant at the Thomas Jefferson Cultural Center prematurely exploded last Saturday, sparking fears of more terrorism in the Philippines, which hosts the largest U.S. bases overseas.

The wounded man has refused to cooperate with Philippine authorities.

Investigators earlier said that the two brothers, sons of a former Iraqi consul in Manila, harbored the two bombers before the incident, and that C-4 explosives were found in the luggage left at their home by the bombers.

Manila international airport manager Eduardo Carrascoso meanwhile said 12 other foreigners from the Middle East and Japan who entered the country under suspicious circumstances would also be deported for fear they were involved with terrorist groups.

Mr Carrascoso said four Iraqis and one Jordanian would be deported on Thursday but would not identify them or give more details.

The Sattar brothers, both longtime Manila residents, were moved under armed guard on Wednesday to a detention center in a suburban army camp to await deportation, Immigration Bureau spokeswoman Sarah Andres said.

Earlier, an official of the government's National Bureau of Investigation (NBI) said the brothers had failed a lie-detector test. "The results indicate that both knew of the plot," NBI deputy director Antonio Aragon said.

Mr Aragon said that even so there was "weak" evidence to prosecute them in Manila.

"If they are headaches, why not just deport them?" he said.

Mr Aragon said the two brothers' Philippine girl friends who were also taken in for questioning were freed for lack of evidence.

The Iraqi consul was expected to leave before Thursday, when the 72-hour deadline for him to leave Philippine soil expires.

Wednesday's show of government force caused alarm in this coup- prone city, prompting a clarification from Colonel Remy Macaspac, police chief of Makati, where most foreign embassies and corporate headquarters are located.

"This is just an addition to our preparations for any evil intentions of those who want to sow violence in our country," he said in a radio broadcast.

He urged people to stay calm and not be alarmed by the military hardware.

Col Macaspac said the measures were also intended to protect foreign diplomats and allow them to carry out their day-to-day tasks.

The embassies of the countries involved in the Gulf conflict have imposed severe security measures after the bombing attempt on the Jefferson Center.

The Japanese Embassy, located near the center, was vacated by occupants on Tuesday after a bomb threat but it turned out to be a hoax.

The embassies of Iraq, Saudi Arabia, Israel, Britain, France, Canada and Italy, all of them directly involved in the conflict, are in Makati. Most foreign ambassadors also live in Makati's upper- class enclaves.

Editorials View Bombing Near U.S. Library

Local Authorities' Reaction Viewed

HK2101040191 Manila PHILIPPINE DAILY INQUIRER in English 21 Jan 91 p 4

[Editorial: "Iraqis in RP (Republic of the Philippines)—Innocent Until Proven Guilty"]

[Text] After being derided (in TIME magazine) for allegedly overreacting to a war taking place thousands of kilometers away in the Persian Gulf, Filipinos now find that the war has landed squarely on their laps, with the foiled bombing of an American facility in Makati early Saturday evening.

The U.S. Embassy in Manila has advised Americans in the country to take extra security precautions. Authorities announced they have temporarily closed three libraries/information centers in the country, including the Thomas Jefferson Cultural Center which was purportedly the target of the two men carrying the bomb which exploded a block away.

One man was killed instantly, his decapitated body landing on the roof of Ambassador to Germany Bienvenido Tan's residence a few meters away. An Iraqi passport, bearing the name of Ahmed J. Ahmed, was recovered at the scene. The other suspect, an Iraqi who gave his name as Abdul-Sattar Hisham, was injured in the blast and is now in serious condition at the Makati Medical Center.

In a statement issued yesterday, the U.S. Embassy said the explosion is apparently "an example of the announced Iraqi intention to target U.S. and allied installations and interests." A wire report, quoting anonymous security sources, said Hisham gave police a telephone number to contact during his interrogation, and when traced, it turned out to be the number of the Iraqi embassy in Manila.

In reaction, Iraqi Consul General Muwafak al-'Ani said "Our position is Iraq has no intention at all to disturb Philippine security."

Israel, which has been drawn into the Gulf War with missile attacks from Iraq, has even joined the local fray, with Israeli Ambassador Yo'av Behiri volunteering: "I think your government has to revise its stand toward Iraq. Here we see Iraqis are active in activities of terrorism in the Philippines."

Indeed, things seem to have fallen into a neat pattern, in fact, much too neat. Which makes us wonder if these incidents have not taken place according to some predetermined course in pursuit of propaganda purposes.

To be sure, stranger things have happened, especially where international terrorism is concerned. The explosion could very well be the opening salvo in what Saddam Husayn promised would be an international terrorism campaign against the U.S. and other nations that have joined the international coalition allied against Iraq. The U.S. Embassy's precautions are, in our view, warranted. It would be folly to make light of the unpredictable, indiscriminate terrorist threat.

But the action of local authorities is another thing. It would be foolish for police and other law enforcement agencies to investigate the Makati explosion proceeding from a single premise or theory. Despite the rhetoric of the contending parties, the matter should be treated, until further evidence indicates otherwise, as a local matter falling under Philippine jurisdiction. And officials must refrain from overreacting, overlooking the national interest in their eagerness to have a part in the conflict that has now drawn the world's attention.

The fact that the Iraqi connection is, thus far, mere conjecture, has not prevented Manila Mayor Gemiliano Lopez, for instance, from herding to his office about 50 Iraqis residing in the city and issuing a stern warning to them. He later told media that "We will serve them strict guidelines so that they will not be able to do any ugly things."

Mayor Lopez should be told by higher authority to lay off the grandstanding, because unless he has solid evidence that the Iraqis he summoned are engaged in terrorism, he could be hailed to court for violation of the Iraqis' basic rights, including that of being presumed innocent until proven guilty. That is a presumption we should all keep in mind in the heat of this propaganda war.

Terrorism in Manila Viewed

HK2101035991 Quezon City MALAYA in English 21 Jan 91 p 4

[Editorial: "Terrorism in Manila"]

[Text] The powerful bomb that went off on Saturday night in the heart of Makati's financial district (about a block away from a library being operated by the U.S. government) substantiates fears that our country may inexorably be involved in the Gulf War.

Mr. Saddam had earlier revealed the options be was ready to take in case the U.S-led coalition attacked his country. One was that he would attack Israel, which has already taken place. Another was that the "mother of all battles would extend to all humanity," which apparently meant that pro-Iraqi agents or sympathetic forces were to launch terrorist attacks in all countries considered supportive of the U.S. policies with regard to the Gulf issue.

The Makati blast, with police probers idntifying the suspects (and victims) as an Iraqi businessman and an Iraqi student, may be regarded as a fulfillment of Mr. Saddam's latter threat.

Iraq has unleashed several Scud missiles against populated centers in Israel, and although the bombs are not as yet tipped with any chemical or nuclear agent, this should leave little doubt that Mr. Saddam's grandiloquent statements about the wailing daughters of his enemies and the gates of hell opening up are more than mere figurative expressions.

The Baghdad strongman apparently realizes that his forces could not single-handedly fight the multinational coalition given its technological advantage and vast firepower. And reluctant to let pass this chance of a lifetime to become the leader of the Arab world in the post-glanost period. Mr. Saddam has stoked the anti-Zionist sentiments of the Muslim peoples by declaring the Gulf conflict a holy war.

He is apparently succeeding, judging from the pro-Iraqi sentiments aired by the very citizens of Arab countries belonging to the multinational force.

But what is frightening is that the Philippines hosts hundreds of Arab students and nationals, and many Muslim Filipinos have themselves taken sides with Saddam's cause. With the developments in the Gulf, it is not far-fetched that the gulf war will be exported to our shores.

Following the Makati bomb blast, Iraqi Consul General Muwafak Al-'Ani assured that his government does not encourage terroristic activities, and that he has warned Iraqi nationals here against participating in activities that violate our laws.

But his words are hardly reassuring, considering that terroristic attacks can easily be disowned and our law enforcement agencies are hardly prepared to deal with such attacks (we need only recall their helplessness amid the spate of bombings believed perpetrated by right-wing terrorists in Metro Manila last year).

Despite U.S. pressure, the Philippines—only too aware of our limited resources and considering the welfare of our workers in the Gulf region—refused to send any military contingent to the allied forces against Iraq and limited its support to sending a medical mission to Saudi Arabia. But the cautious posture taken by our government is apparently not enough to politically insulate our country from the Gulf conflict.

In cast of a protracted war, which Pentagon officials have begun to foresee, Malacanang may at least find consolation in the fact that the months of drawing up contingency plans and preparing for an emergency situation will not go to waste. But whether these preparations are enough for the country to absorb the backlash of a prolonged war in the Gulf is another question.

The specter of a 50 per cent reduction in the country's oil supply is enough to spell doomsday to our economy, which as it is on the brink of collapse. One also imagines what would happen to the thousand of Filipino workers stranded in the war-torn region, and if local authorities are able to bring them hope, how they could be absorbed back into the labor force and how we could compensate for their substantial contributions to our foreign exchange reserves.

These scenarios, if they come true, are more than what our people could bear, and the best that government could do at this point is to immediately initiate diplomatic and security efforts to prevent the Philippines from becoming a bloody arena of the Gulf conflict.

Foreign Terrorists Not Direct Threat to Security

HK2401105991 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 24 Jan 91

[Text] Regarding the Gulf war, the Armed Forces of the Philippines [AFP] does consider foreign terrorists a serious threat to the country. Tanny Rodriguez has the details:

[Begin recording] At the Fishermen's Wharf's breakfast forum, AFP Chief of Staff Lieutenant General Rodolfo Biazon said that the foreign terrorists are not a direct threat to national security. According to him, the AFP has the necessary measures to counter any attack.

Meanwhile, Biazon rejected amnesty for rebel soldiers but added that their sincerity to return to the fold of the law should be assured before amnesty is granted. He called for a thorough study of the matter in order to avoid the eventuality that they continue to act against the government even after amnesty is granted. He is opposed to giving them amnesty because they continue to fight against the duly constituted government. [end recording]

Senate To Probe Security Threat by Terrorists

HK2401110191 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 24 Jan 91

[Text] The Senate will probe the reported threat by Arab terrorists to the country's security. Jojo Ismael has the details:

[Begin recording] The investigation is the result of a resolution filed by Senator Ernesto Maceda, chairman of the Senate Committee on National Defense and Security. He referred concretely to the bombing incident at the Thomas Jefferson Cultural Center in Makati involving some Iraqis, including Iraqi Consul General Muwafak al-'Ani. Maceda says the probe is to determine the extent of the threat to the nation's internal security. Since the Philippines supported the United Nation resolution imposing a deadline on Iraq to withdraw from Kuwait and approving the use of force by the U.S.- led multinational forces against Iraq, the country has tightened its security measures against possible terrorist activities. [end recording]

Possible Upsurge in Crime Against Americans Noted

HK2401035791 Manila MANILA BULLETIN in English 24 Jan 91 pp 1, 5

[Text] National Security Council (NSC) Executive Director Rafael Ileto noted yesterday the possibility of an upsurge of crimes against Americans and other citizens of multinational forces fighting Iraq in the Gulf War.

In another development, Defense Secretary Fidel Ramos said the Department of National Defense (DND) is continuously meeting with members of the diplomatic corps to ensure their protection amid the threat of terrorism by Iraqis and other Arabs.

Assessing the security situation, Ileto said the occurrence of crimes against foreigners in the country may be the result of Iraqi President Saddam Husayn's launching of a "hate campaign" against those fighting Iraq.

Ileto, however, said the declaration of Iraqi Consul General Mufawak Hassim al-'Ani as a "persona non grata" and the order for his expulsion from the country by noon today pose security problems.

"The declaration of a persona non grata from the diplomatic side is almost a personal thing. It is not a declaration for or against a country. It is against a person," he said.

Ileto expressed his views on comments that the expulsion of Al-'Ani is a strong move that might shatter RP [Republic of the Philippines]-Iraq relations and endanger the security of foreigners here and many Filipinos in Iraq and Kuwait.

House Fact-Finding Mission To Visit Middle East

HK2301132591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 23 Jan 91

[Text] A four-man fact-finding mission led by House Speaker Ramon Mitra Jr. will leave for the Middle East in three or four days. The definite agenda of the said congressional mission has not yet been announced, but the principal destination of Mitra's group is Saudi Arabia.

According to Mitra, they will also visit Bahrain, Oman, and Abu Dhabi to check on the condition of Filipino contract workers there.

Other officials in the fact-finding mission with Mitra are: Congressmen Jose de Venecia, chairman of the House Committee on Foreign Affairs; Leonardo Guerrero, chairman of the House Committee on Agriculture; and Alberto Veloso, chairman of the House Committee on Labor.

According to Mitra, it is the responsibility of lawmakers to know the condition of their constituents working in the Middle East.

[Begin Mitra recording in English] The families of these contract workers, I think, are all eager and anxious to know what's going on there, and they need some reassurance that their officials here are concerned about them over there. [passage indistinct] [end recording]

Agents Capture 'Mastermind' of Rebel Group

OW2401092191 Tokyo KYODO in English 0751 GMT 24 Jan 91

[Text] Manila, Jan. 24 KYODO—Government agents have captured the mastermind of a rebel group which kidnapped a Japanese business executive in Manila in 1986, a military source said Thursday.

The suspect, identified as Veronico Bagamasbad, was arrested Wednesday night in the capital, the source told KYODO NEWS SERVICE.

He claimed that Bagamasbad was the leader of the communist rebel team that held captive for almost five months the late Nobuyuki Wakaoji, former Manila branch manager of Mitsui and Co. Wakaoji died shortly after he returned to Japan.

Earlier this month, a captured rebel confessed to participation in the kidnapping of Wakaoji, saying that it was done to raise funds for the communist movement.

NPA Receives Payment for Release

OW2401141591 Tokyo KYODO in English 1123 GMT 24 Jan 91

[Text] Manila, Jan. 24 KYODO - Philippine authorities said Thursday the Japanese giant trading firm Mitsui and Co. paid 2 million dollars to the Communist New

People's Army (NPA) to secure the release of its former branch manager here who was kidnapped by the guerrillas in November 1986.

Military officials, meanwhile, announced the arrest of the leader of the NPA group which abducted the late Nobuyuki Wakaoji after he played golf in Laguna Province, south of the capital.

Veronico Pagasmapad, 30, alias Cris or Emil, was captured on Wednesday night by military agents as he was driving along the seaside Roxas Boulevard, officials said.

Officials said Pagasmapad, tagged as the "overall leader" of the Wakaoji kidnapping, was charged on Thursday with illegal possession of firearms in furtherance of rebellion.

Sources said Mitsui paid 2 million dollars in exchange for the freedom of Wakaoji on March 31, 1987. They refused to elaborate.

Immediately after Wakaoji was freed, there was speculation—which Mitsui ignored—that the Japanese firm had paid at least 1.5 million dollars.

The sources also said the Japanese Red Army (JRA) had "a big hand" in the kidnapping.

"It was really a joint effort of the NPA and the JRA," a source said.

Two JRA members were even playing golf at the Canlubang Golf Club in Laguna Province, apparently to monitor Wakaoji's movements, the source added.

The source identified one of the JRA members who participated in the kidnapping as Hiroshi Sensui, who was captured in 1988 at the Makati Medical Center after undergoing plastic surgery. He was later deported.

Col. Wilfredo Cruz, commander of the Philippine National Police Security Group, said Bagamasbad was also the leader of the "Delta Force" set up by the NPA to undertake the "mission of generating finance and logistics."

He said "Delta Force" launched "Operation Customer," the rebels' code name for the abduction of Wakaoji, who died of a kidney disease after returning to Japan.

Sources said the same group had earlier planned to kidnap officials from five Japanese firms in Manila.

On January 4, military agents also captured Florencio Montera, one of the NPA members who allegedly participated in the abduction of the Japanese businessman. Montera was reportedly instrumental in the capture of Bagamasbad.

Thailand

2 Iraqi Diplomats Arrested; Envoy Denies Report

BK2401014591 Bangkok BANGKOK POST in English 24 Jan 91 p 1

[Text] Police yesterday launched an extensive hunt in Chiang Mai city for an Arab believed to have been involved in the Manila bomb attack last week.

The hunt was ordered because Thai police had obtained information that the Arab man might be hiding in Chiang Mai, said Muang District police chief Lieutenant-Colonel Somphong Khongphetsak.

About 250 policemen from Muang District and nearby stations yesterday searched 57 guest houses and four second-class hotels in Chiang Mai but found no trace of the Arab, whose identity was not disclosed.

Police have beefed up security in the northern capital and the alert is expected to continue as long as necessary in the wake of the Gulf conflict.

Several foreign consulates including those of the United States have been placed under tight security after the outbreak of the Gulf war.

Reliable government sources have told the Bangkok Post police have arrested two Iraqis with diplomatic immunity and a Syrian in Bangkok as security suspects.

However, Iraqi Ambassador to Thailand Munir Shibab Ahmad denied that Iraqi diplomats had been arrested in Bangkok.

Meanwhile, National Security Council Deputy Secretary-General Khachatphai Burutphat said the current terrorist threat in the country was not a result of Thailand's support for the United States and Saudi Arabia in the Gulf crisis.

Mr Kachatphai was responding to suggestions that the threat came because Prime Minister Chatchai Chunhawan had expressed support for the US and Foreign Minister Athit Urairat for Saudi Arabia.

He said the threat prevailed because it was Iraq's open intention to use terrorism as a means of creating fear and panic among Westerners.

"Thailand was prepared to cope with terrorist activities long before the (latest) threat came. We drew up an anti-terrorism plan even before the crisis in the Middle East erupted," Mr Kachatphai said.

In Bangkok last night, the first batch of Border Patrol Police [BPP] from neighbouring provinces were deployed at several western and Arab embassies to take over from Metropolitan and Crime Suppression Division [CSD] policemen guarding the installations.

An informed Metropolitan Police Bureau source said the CSD and metropolitan policemen were apparently exhausted after having been posted at the embassies since last week.

With the BPP men in place, the CSD and metropolitan police will be sent to the houses or apartments of diplomats who had sought protection, the source added.

4 Iraqis Leave Bangkok on Request

BK2401042891 Hong Kong AFP in English 0414 GMT 24 Jan 91

[Text] Bangkok, Jan 24 (AFP)—Four Iraqis, two of them diplomats, have left Bangkok at Thailand's request following warnings of possible terrorist attacks linked to the Gulf war, highly reliable sources said Thursday.

The sources, who declined to be identified, said the four had left Wednesday without being technically expelled as they had not opposed the request.

They identified the two Bangkok-based diplomats as the Iraqi Embassy's commercial counsellor Muzir Razoki and third secretary Salim M. Nahi al-Jibouri. The two others were identified as Khalid al-Obaydi and Hassan Widad.

No comment was immediately available from Thai officials or the Iraqi Embassy here.

Official Denies Terrorist Link

BK2401142691 Bangkok Army Television Channel 5 in Thai 1230 GMT 24 Jan 91

[Text] Norwegian, New Zealand, and Australian ambassadors called on Foreign Minister Athit Urairat today. During the meeting, they thanked him for providing security measures and exchanged views on the threat of terrorism in Thailand.

Sakthip Krairoek, director general of the Foreign Ministry's Information Department, told reporters after the meeting that the terrorism issue was not a result of the report on the Foreign Ministry's proposal for an international conference. Sakthip also denied a news report that an Iraqi commercial counselor and an Iraqi third secretary in Thailand had been asked to leave the country because they are suspected of being the main terrorism coordinators.

Minister Says Iraqi, Jordanian Interrrogated

BK2401152291 Bangkok Army Television Channel 5 in Thai 1230 GMT 24 Jan 91

[Text] U.S. Ambassador to Thailand Daniel O'Donohue paid a courtesy call on Interior Minister Police General Praman Adireksan at the Interior Ministry this afternoon. The U.S. ambassador thanked the interior minister for sending officials to provide protection at foreign embassies and important U.S. installations in Thailand. After the meeting, the interior minister said that we had summoned at least two suspicious foreigners who do not have diplomatic immunity for interrogation. They will be sent back if they are found to have come here for the purpose of committing acts of terrorism in Thailand. The two suspects are Iraqi and Jordanian nationals. The Thai authorities have learned this by themselves without depending on information from the United States. This was revealed by the interior minister after attending a meeting of the Rural Job Creation Committee.

Our source also reported that the Thai side had obtained information on terrorist attempts prior to the warnings on possible terrorism issued by the U.S. and the British Embassies.

The interior minister also disclosed that military personnel were sent to help protect foreign embassies because of requests by the embassies. In addition, border patrol policemen will be sent as reinforcements.

Israeli Envoy Remarks on Iraqi Terrorism, PLO

BK2401021391 Bangkok BANGKOK POST in English 24 Jan 91 p A3

[Text] Threats of urban guerrilla strikes against Thailand and other countries confirmed Israeli suspicions that Iraq would use terrorism to link the Palestinian issue to the occupation of Kuwait.

Charge d'Affaires Amos Nadai, of the Israeli Embassy in Bangkok, said this assessment was made even before the Gulf war.

"It's no secret the Iraqis have a very good terrorist infrastructure connected with diplomatic missions," he said.

He was referring to many Iraqi diplomats being expelled from a variety of countries.

"We knew that the Iraqis may use their terrorist infrastructure during this campaign to bring to attention the connections between Iraq and the PLO."

He said that on the political and diplomatic front, Saddam Husayn and Yasir 'Arafat had emerged "best allies" since the Persian Gulf crisis.

"On an operational level, we knew that all the small groups of terrorists that have records of carrying out terrorist attacks not only on Israelis but other people, are based in Baghdad," he said.

The diplomat was puzzled by the push by some in Thailand to befriend the Palestine Liberation Organisation.

"We think the State of Palestine should be recognised. But at the moment, when they're kissing Saddam Husayn, and when they're helping them to carry out terrorist attacks, this is not the time.

"My view is that responding to a terrorist threat by giving in, upgrading ties with terrorists, is in a way giving way to terrorism," he said.

The Israeli Government is in a difficult position whether or not to respond to the Iraqi attacks because of domestic political pressure.

"Taking into consideration the good army we have, the Government takes a very big risk of public opinion because our people would say that they're paying a lot of tax, Iraq attacked us and the Government is doing nothing," he said.

Although reprisal is not the case so far, the Israeli Government "maintains the right to respond" he said.

Parliament President Meets Israeli Envoy

BK2401144691 Bangkok Domestic Service in Thai 1200 GMT 24 Jan 91

[Text] Police Second Lieutenant Wan Chansu, president of the parliament, met Amos Nadai, Israeli charge d'affaires and acting Israeli ambassador to Thailand, at the parliament building this morning. He told newsmen after the meeting that the Israeli charge d'affaires reported to him about the situation in Israel following attacks by Iraq.

According to the diplomat, Israel sustained considerable damage as a result of the attacks. He said Israel wanted to retaliate, but refrained from using the right of retaliation due to political reasons. The charge d'affaires explained that Israel has not entirely abandoned the right of retaliation, but is refraining from resorting to the measure just temporarily. The government of Israel, he said, would try to refrain from retaliation for as long as possible. He expressed concern that, with more challenges and attacks, the Israeli people would not be able to take it.

The president of the parliament viewed that Israeli retaliation to Iraqi attacks would be decided not according to the timing but rather by the intensity of the attacks. If Israel is being attacked every day, it may have to think about what to do next. The president of the parliament said that the Israeli charge d'affairs did not ask for any help from Thailand during today's meeting.

Students Protest Against Persian Gulf War

BK2401022791 Bangkok BANGKOK POST in English 24 Jan 91 p 3

[Text] About 50 students yesterday staged an anti-war protest in front of the ESCAP [Economic and Social Commission for Asia and the Pacific] building on Rajdamnoen Avenue.

The protesters came from the Natural Resources and Environment Conservation Coordinating Committee which comprises 16 institutes.

They carried anti-war placards and also submitted a letter to UN officials.

It was addressed to UN Secretary-General Javier Perez de Cuellar and called for his intervention to stop the Gulf war.

After a 30-minute protest, the students were asked by Nang Lerng police to disperse.

It was claimed their presence might be exploited by elements who might try to attack the UN building.

Meanwhile, the Thai-Muslim Students Association yesterday denounced the US and allied forces waging a fierce war against Iraq.

Ekkaphon Sutwilai, president of the association, told a press conference the association would call on the US and its allies to immediately withdraw from the Middle East.

He insisted that the Kuwait and Palestinian problems should be settled by Arab countries.

Mr Ekkaphon said the presence of US troops in the Gulf was to protect its own interest and gain benefits from Arab countries.

The students also called on the world community to make serious efforts to solve the Palestinian problem, which they said had never received world attention.

Mr Ekkaphon said his association would not involve itself in any radical movement related to the Gulf war.

He said the press conference was called to express students' opinions on the Gulf crisis after a meeting of associating members on Monday.

Mr Ekkaphon claimed the association had 150,000 members at 40 educational institutes throughout the country.

About 80 Muslim students yesterday prayed for an end to the war at a mosque in Hua Mark.

Deputy Prime Minister Athit Kamlang-ek, in his capacity as chairman of the Anti-Terrorism Policy Committee, yesterday visited the Police Department's radio centre at Pathumwan.

Gen Athit said he was satisfied with the preparedness of the police in combatting urban terrorism.

But he appealed for public support in reporting suspicious movements and people to the police.

Department Rejects Leaflet on General's Remarks

BK2301135691 Bangkok Domestic Service in Thai 1200 GMT 23 Jan 91

[Text] Copies of a leaflet have been circulated inviting the general public to attend a symposium entitled: U.S. and Allied Invasion of Iraq and Kuwait, Has a Religious

War Erupted?, organized by the Muslim Youth Association in collaboration with three other organizations on 19 January 1991. The leaflet cites Deputy Prime Minister General Athit Kamlang-ek's remarks concerning the issue of god and nuclear weapons, which was broadcast at the morning news cast of Radio Thailand on 16 January.

The Public Relations Department would like to inform that Deputy Prime Minister General Athit did not make such remarks. The public is hereby informed.

Army Official, U.S. Defense Official Meet

BK2301100991 Bangkok THAI RAT in Thai
19 Jan 91 p 3

[Text] Assistant Army Commander General Wimon Wongwanit granted an interview to reporters after his meeting with Lieutenant General Teddy G. Allen, director of the U.S. defense security assistance organization, at the army meeting hall. He said that he had discussed with the U.S. official on U.S. assistance for the Army's development work, such as providing more military engineering equipment rather than weaponry because we can use the equipment for national development. In addition, they also discussed other kinds of assistance, such as education, joint exercise, and the purchase of weapons.

The assistant army commander said that free military assistance from the United States is dropping. However, we still do not know exactly how much we will receive. This is because that the U.S. assistance budget for this region in the new year has shifted to drug suppression, which is different from the past when there was fighting in this region. However, we will still get some assistance although it may not be as much as that in the past.

Stand 'Expected To Soften' on U.S. Talks

BK2201030191 Bangkok THE NATION in English
22 Jan 91 p B1

[By Patchari Luenguthai]

[Text] In what promises to be a major turning point in the negotiations over bilateral aviation rights, Transport and Communications Minister Samak Suntharawet is expected to soften Thailand's previously rigid stance in negotiations with the United States.

The minister privately believes that Thai officials in charge of bilateral aviation talks with the US have been too rigid in their demands and have put at risk Thailand's long-term interests in the travel and tourism industries.

Thailand could see its bargaining power eroded if relations are stretched any further, the minister said.

If the ministry adopts a softer line toward the US, it may encounter resistance from senior members of the Thai delegation, which had been entrusted by the previous Cabinet to stand firm in its negotiations with Washington.

The minister is expected to seek preliminary talks with US diplomats in Bangkok to discuss the potential for agreement before seeking Cabinet endorsement.

Thai aviation officials in November 1989 told their counterparts that the bilateral agreement would be terminated by November last year if there was no progress on a new accord. The agreement collapsed after three days of talks in Washington in November last year failed to bear fruit.

The Thai government however, permitted four US airlines—United, Northwest, Delta and Federal Express—to continue their services during the winter months through to March this year, when the airlines will be asked to cut their services from 37 to 21.

Since the breakdown of the talks, no further negotations have been held. Washington officials are busy monitoring the situation in the Persian gulf and the US airlines have been preoccupied with the possibility of terrorist attacks.

Following the outbreak of hostilities in the Gulf, a sharp decline ih the number of American and European travellers is expected. Should the Gulf War drag on for several months, both the tourism and the airline industries may be severely affected.

Minister Samak thinks that the uncomprising stance of the Thai aviation officials has left scant room for an agreement. The Thai delegation wants to limit the number of flights operated by US airlines and, at the same time, prevent them from flying fifth freedom passengers between Bangkok and the Far East.

The ability of the US airlines to pick up such passengers is blamed for eroding the market share of Thai Airways International [Thai] and other Asian carriers.

Samak wants Thailand to surrender some ground rather than seek to show the aviation industry that it can successfully dictate the terms of a new agreement.

The Thai aviation industry has already told the four US airlines flying to Bangkok that if they want to continue passenger services during the summer months, they will be restricted to 21 flights per week, while Federal Express can only operate seven weekly flights.

That means that Delta, United and Northwest, will each have seven flights, and they will still be able to take passengers between the Far East and Bangkok. If they reject this arrangement, it means that the postagreement, arrangement will collapse.

Samak will be forced to seek Cabinet approval for the policy shift and it is uncertain whether the Chatchai government will agree to the change particularly as the prime minister approved the original tough stance.

Aviation officials have already provided data used in their negotiations with the US to Samak. They insisted that they have been on the right track and that the government should insist on a new agreement so that the number of services will more closely reflect demand.

They also contend that Thai and other Asian carriers have the capacity to serve the routes if the US airlines cease their Bangkok services and that the tourism and cargo business will not be affected. This will be the same whether the US airlines agree to reduce the number of flights or cancel them altogether.

But their argument obviously failed to impress Samak who wants to reduce the strain in the bilateral aviation relations. Aviation officials in charge of the negotiations are worried because their stance was partly based on the need to protect the country's dignity.

Strategy Revealed

BK2401055091 Bangkok DAILY NEWS in Thai 24 Jan 91 p 7

[Text] Communications Minister Samak Suntharawet disclosed that he has given policy instructions to the delegation that will fly to the United States for negotiations on the Thai-U.S. aviation rights agreement, which will expire in March this year. The instructions are to allow the U.S. counterpart, not Thailand, to offer the first proposal.

He said he had reviewed the documents from the past negotiations and concluded that he will allow the talks to proceed as they have been without any changes. Therefore, the permanent government officials will be allowed to plan their own moves, he remarked, but at this stage we should pause since there is no need for action on our part.

"As I am a political appointee, when I first undertake a task, I study what the permanent government officials have done and how beneficial it is to our country. I will never use my political power to deny or change things. As a politician, it is necessary for me to avoid things that would result in adverse affects on us. However, I would like to reiterate that the negotiations are already over [as published]," said Samak.

Vietnam

Embassy Says Workers in Southern Iraq 'Safe'

BK2401063791 Hanoi Domestic Service in Vietnamese 1430 GMT 23 Jan 91

[Text] At 1630 on 22 January, on behalf of the embassy, the party committee, and the labor management board, Ambassador to Iraq Pham Quoc Bao sent a message as follows:

The Vietnamese Embassy in Iraq would like to inform all families with relatives in Iraq that since Iraq has come under attack, cadres of the embassy and the brother and sister workers of various ministries—such as public health, construction, water conservancy, and communications and transportation—in the southern part of this country are all safe and sound.

The embassy is making arrangements for the repatriation of the remaining workers from Iraq. All procedures for their departure have been completed. If nothing happens, some 90 nurses will leave Baghdad on 23 January for home via Jordan. The embassy has assigned cadres to accompany these nurses from Baghdad to Jordan.

The embassy, the party committee, and the labor management board in Iraq call on all families with relatives who are still in Iraq to remain calm and not to worry too much about their safety. The embassy will do all it can to bring the rest of the workers out of Iraq safely for an early reunion with their families.

Radio Comments on U.S. Gulf War Strategy

BK2401112791 Hanoi International Service in English 1000 GMT 24 Jan 91

[Station commentary]

[Text] In the first seven days of the war, from 17 to 23 January, the United States and its allied forces conducted over 8,000 air raids in an attempt to crush Iraqi anti-aircraft forces. However, so far that objective has not been achieved. The United States had admitted that the Iraqi anti-aircraft force is still in effect. Although Iraq's fixed missile launchers were severely damaged, attacks against its mobile missile launchers have met with difficulties. In the past two days, the United States continued its air raids against Iraq. According to the Japanese news agency KYODO, U.S. planes taking off from Incirlik Air Base inside Turkey conducted many bombing missions against Iraq, destroying the power supply network in two Iraqi northern provinces bordering Iran. As a result, the TV network had to stop its broadcasts.

At present, the multinational air force focused its attacks on the Iraq garrison. Reports released by Western news agencies said that Iraq's chemical and bacteria weapon centers have been destroyed. However, its potentials for this kind of weapons still remain. Iraq declared that it had won in the first stage of the war and President Bush hoped to win a quick and decisive victory with losses to nought.

According to Bagdad radio, the U.S. Army and its allies have been heavily damaged and Iraq will win victories in the following stage of the war. Meanwhile, a spokesman for the U.S. military forces in Saudi Arabia reviewed that there were indications that Iraq is destroying oil facilities in Kuwait.

Photos taken from the air showed Iraq destruction to oil wells and barracks. However, the damage level has not yet been calculated. Though the war in the Gulf is taking place on a serious scale, the world public hopes for an end to the war is not yet fitting. [sentence as heard] In Bangkok, Thai Foreign Minister Athit Urairat met with ambassadors to the five UN permanent Security Council members and called on the United States and its allies to exercise their self-restraint and take measures to end the war soon.

Pakistani Premier Sharif also put forth a four-point plan propsing the pullout of foreign forces from Kuwait and Saudi Arabia. Libya President Qadhafi also sent a message to heads of Arab states calling for a political solution to the Gulf crisis. He said: We cannot sit with folded arms while Iraq and Kuwait are being destroyed. Economic and military potential of the Arab world is being worn out and the scale of the war may be expanded, threatening the peace of the whole mankind.

Regional countries themselves also expressed concern over the situation in their regions. Lybian, Iranian and Moroccan presidents had sought means to force Turkey not to participate in the Operation Desert Storm being conducted by the U.S. and its allies.

More seriously still, U.S. President George Bush has not shown any sign of seeking a diplomatic solution to the Gulf war. However, USA TODAY reported that despite other countries' effort to stop bombing and enter into negotiation, George Bush keeps talking about how to materialize U.S. promises to drive Iraq from Kuwait and destroy the Iraqi arsenal.

For the immediate future, Washington said that it would step up its air raids against Iraq to pave the way for ground forces' attack. The world public is following with keen interest what is happening in the Gulf region. Can President Bush obtain the expected results? The answer to the question has not yet been found. The French paper L'EXPRESS once said: Victory has shown that U.S. military measures can weaken but not defeat the enemy.

'Obstacles,' 'Hardships' Seen for Cambodian Peace

BK2201160891 Hanoi International Service in English 1000 GMT 22 Jan 91

[Station commentary]

[Text] The State of Cambodia and Vietnam have always demonstrated their correct stand and goodwill in seeking a political solution to the Cambodian issue. Here is our radio's comment:

More than a decade ago, at the urgent request of the Cambodian people who were then on the verge of extermination, the Vietnamese volunteer soldiers went to their rescue to help them defend their country. In late September 1989 the last unit of Vietnamese troops returned home after having accomplished their internationalist duty. This event was witnessed by hundreds of foreign newsmen. Even the public in the United States and the world acknowledged that Vietnamese troops had completely withdrawn from Cambodia.

On 18 July last year the American secretary of state, Mr. James Baker, declared that the U.S. would open dialogue with Vietnam on the Cambodian issue and withdraw its recognition of the coalition government of Democratic Kampuchea at the United Nations. Elaborating on this decision by the White House, Mr. Baker acknowledged that Vietnamese forces have been pulled out from Cambodia.

The U.S. INTERNATIONAL HERALD TRIBUNE has recently quoted a commentary from THE WASHINGTON POST as asserting that Vietnam withdrew all its troops from Cambodia in the fall of 1989. BBC Radio commented that Britain was of the opinion that Vietnam had actually withdrawn from Cambodia. The radio quoted American officials as saying that there were no proofs for the maintenance of Vietnamese forces in Cambodia.

Vietnam troops withdrawing from Cambodia constitutes the major obstacle being removed, helping to push the Cambodian problem to its terminal end. The remaining key factors are the outside military aid and interference in the internal affairs of Cambodia, checking a possible civil war, and seeking measures to prevent Cambodia from plunging into another catastrophe of genocide.

Vietnam is doing all it can to help the Cambodian Revolution and to solve the Cambodian problem politically.

Vietnam has withdrawn from Cambodia and is now making diplomatic efforts, together with other concerned countries, to seek a political settlement of these issues.

The State of Cambodia has been steady since the withdrawal of Vietnamese troops more than a year ago. It has put forth several constructive poposals aimed at resolving the conflict in the country.

Thanks to the good will of the State of Cambodia, the Supreme National Council of Cambodia [SNC] was set up recently with equal membership from both sides.

For the first time in 11 years a draft resolution on the Cambodian issue was unanimously adopted at the United Nations General Assembly. This resolution did not mention the erroneous document previously endorsed by the United Nations and reserved the Cambodian UN seat for the SNC, ending the presence of the Democratic Kampuchea coalition government at this largest international organ.

After hailing the role played by the United Nations in solving the Cambodian issue politically, the State of Cambodia made it clear that the U.N. (?should respect) the independence and sovereignty of Cambodia and the right to self determination of Cambodians, and take measures to ward off a possible return to power of the genocidal Pol Pot clique.

In his speech marking Cambodia's 12th national day, the Cambodian head of state, Mr. Heng Samrin, pointed out that the [words indistinct] for a solution to the Cambodian question is the Pol Pot criminal gang, which is a reality from which the settlement of the Cambodian issue should be started.

The U.S. CHRISTIAN SCIENCE MONITOR recently carried an article by its correspondent in Cambodia commenting that the Cambodians would never forget all those years under the Khmer Rouge. As a matter of fact, good will cannot come from only one side. While the State of Cambodia is demonstrating its constructive stand, the other side is seeking to undermine peace, national reconciliation, and worse still, accelerate land and population grabbing operations.

Obviously, the road to peace in Cambodia is still full of obstacles and hardships. It requires efforts and good will from all sides.

National Assembly Delegation Visits Indonesia

BK2201161691 Hanoi VNA in English 1458 GMT 22 Jan 91

[Text] Hanoi VNA Jan. 22—A delegation of the Vietnamese National Assembly led by its Chairman Le Quang Dao will pay an official friendship visit to Indonesia in the near future at the invitation of the Indonesian People's Consultative Assembly.

ROK's Kolon Group To Broaden Business Ties

BK2101163091 Hanoi VNA in English 1450 GMT 21 Jan 91

[Text] Hanoi VNA January 21—The turnover of business transactions last year between the Kolon Group of South Korea and its Vietnamese partners amounted to 80 million U.S. dollars. The figure is expected to rise to 95 million U.S. dollars this year.

Kolon sells to Vietnam weaving machines, garments, motors, electric generators, farm machines, chemicals, nitrogenous fertilizer, and cement, and buys scrap metals, timber for the paper industry, aquatic products, farm produce, coffee, and pepper.

According to Sang Ho Shin, general manager of the Kolon Group office, a more important objective of the group is to implement investment projects involving capital from two to eight million U.S. dollars to produce telecommunications cable, packing material, silk yarn, cigarette-lighters and garments, and process aquatic products.

He added that the South Korean business circles now feel reassured in their transactions with Vietnam because of its progress in management, and they are prepared to quickly broaden cooperation with Vietnam at the appropriate time.

Food Company To Form Joint Venture With Taiwan

BK2201090691 Hanoi VNA in English 0704 GMT 22 Jan 91

[Text] Hanoi VNA Jan 22—The food company of Ho Chi Minh City has recently signed a contract with Top-Mill Enterprise Corp of Taiwan to establish a joint venture named Saigon Top-Mill specialising in stock breeding in the suburban district of Thu Duc.

Saigon Top-Mill has a capital investment of two million U.S. dollars, sixty five percent of which are contributed by the Taiwanese side. The joint venture will raise poultry and pigs, process animal meat, export products and import machines and equipment for production.

Its products will be mainly exported to Japan and Hong Kong.

Philippine Ambassador Completes Tour, Departs

BK1801141691 Hanoi Domestic Service in Vietnamese 1430 GMT 17 Jan 91

[Text] On 16 January, Cipriano O. Leron, the Philippine ambassador plenipotentiary and extraordinary to Vietnam, left Hanoi, ending his official tour of duty in Vietnam.

Symposium on Investment Conducted in Manila

BK1801150491 Hanoi VNA in English 0700 GMT 18 Jan 91

[Text] Hanoi VNA Jan 18 - A symposium on investment and commerce in Vietnam was held in Manila from January 9 to 10 by the Philippine-Vietnamese Commerce Council in coordination with the Vietnamese Commerce Ministry and the Vietnamese Embassy in the Philippines.

It was attended by almost 200 Philippine and foreign investors and businessmen and a number of high-ranking Philippine Government officials. The Vietnamese participants inculuded a delegation of the Commerce Ministry led by First Vice-Minister Le Van Triet and Vietnamese Ambassador to the Philippines Hoang Manh Tu.

The symposium concluded that in spite of many difficulties, Vietnam is opening up opportunities and hopes for foreign investors, and that both Vietnamese and Philippine businessmen should try their best to promote their investment and trade relations aimed at further strengthening the cooperation and friendship between the two countries.

19 Filipino Crewmen Arrested for Illegal Entry

HK2201054791 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 22 Jan 91

[Text] Around 19 Filipino crewmen of the MV (Light Cavitus) [cargo ship] were arrested by Vietnamese soldiers for illegal entry into the Saigon Sea. DWIZ learned this from a report that reached the Philippine Overseas and Employment Administration. The report also said that the crewmen, including their ship master, chief officer, chief engineer, and radio officer were brought to Saigon City, imprisoned, and interrogated. Saigon authorities said they can be bailed out for the amount of $300,000. MV (Light Cavitus) had unloaded cargo in Tinura, Japan and planned to reload in Saigon City and Bangkok when caught.

Oil Exploration Contract Signed With Australia

BK1901143191 Hanoi Domestic Service in Vietnamese 0015 GMT 17 Jan 91

[Report by station correspondent Tieu Lien on recent the signing of an oil exploration contract between Vietnam and Australia—portions recorded]

[Summary] "A contract was signed on 10 January between the Broken Hill Propriety Company of Australia [B.H.P.] and the Vietnam General Oil and Natural Gas Corporation for the exploration of oil and natural gas on the continental shelf in the central part of our country. This is the 10th product-sharing contract that has been signed between Vietnam and various oil companies.

"To date, multinational companies from various countries—such as India, the Netherlands, Britain, Canada, Sweden, Belgium, France, and Australia—have taken part in the exploration and exploitation of oil and natural gas in Vietnam.

"Evaluating the results of expansion of cooperation in the domain of oil and natural gas, the comrade specialist and director general of the Vietnam General Oil and Natural Gas Corporation said:"

[Begin recording] "It is an honor for me to sign, on behalf of the Vietnam General Oil and Natural Gas Corporation, the contract for the exploration and exploitation of oil and natural gas at blocks 120 and 121 off Vietnam's central coast with the B.H.P. Petroleum Company, a large company of Australia and a new friend with great potential in terms of finance and technology, which has long maintained relations with Petrol Vietnam.

"This contract is the 10th oil contract that Petrol Vietnam has signed with foreign oil companies for cooperation in the domains of oil and natural gas. The signing of the oil and natural gas contract between Pertol Vietnam and the B.H.P. Petroleum Company is the result of a process of relations on the basis of mutual respect and understanding. It is also the result of the Vietnamese state's policy of constantly expanding external economic relations.

"The presence of distinguished guests and of representatives from various competent agencies of the Vietnamese at today's solemn ceremony attests to this fact and also lends enormous encouragement to the B.H.P. Petroleum Company and Petrol Vietnam." [end recording]

Belgian External Trade Minister Arrives in Hanoi

BK2401053791 Hanoi Domestic Service in Vietnamese 1430 GMT 23 Jan 91

[Text] Robert Urbain, minister of external trade for the Kingdom of Belgium, arrived in Hanoi on the afternoon of 23 January for a friendship and working visit to Vietnam at the invitation of our country's Ministry of Trade.

Accompanying the minister was the secretary general of the Ministry of Foreign Relations; officials of the Ministry of External Trade; and representatives from many companies specializing in dredging and manufacturing electric transformers, as well as in maritime transporatation, banking, and energy.

The delegation was received at the government guesthouse by Minister of Trade Hoang Minh Thang, cadres from the Ministry of Trade, and Belgian Ambassador to Vietnam Pieter Steel.

Immediately after his arrival in Vietnam, Minister Robert Urbain held talks with Minister Hoang Minh Thang. The two sides exchanged views on measures aimed at promoting economic cooperation in trade and investment between the two countries.

Envoys Present Credentials to Council Official

BK2201152091 Hanoi VNA in English 1455 GMT 22 Jan 91

[Text] Hanoi VNA Jan. 22—The ambassadors of Belgium, Iran, and Thailand to Vietnam, respectively Pieter Steel, R.H. Mirza Taheri, and Suraphong Chaiyanam, today presented their credentials to Mrs. Nguyen Thi Dinh, vice-president of the State Council, at separate ceremonies.

The Vietnamese leader had cordial conversations with the foreign envoys.

1991 Party, Political Work Defined

BK2301104991 Hanoi Domestic Service in Vietnamese 2330 GMT 21 Jan 91

[Article by Xuan Ngan]

[Text] In 1991, our entire Army carries out party and political work at a time when the national and international situations continue to grow complicated. Taking advantage of the crisis facing the socialist countries, the imperialist, reactionary, and opportunistic forces have tried by all means to launch very fierce attacks in a bid to eliminate socialism from the whole world. The aforementioned developments will affect the world revolutionary movement and our countries as well.

The Seventh National Party Congress has been scheduled to be organized in 1991 to formulate the program of action aimed at developing our country's revolutionary undertaking a step further. This event will create favorable conditions for implementing the all-Army party and political work.

Nonetheless, 1991 also marks a period of time when our country still has to face great difficulties and challenges. Far from being improved, the living conditions of members of the Armed Forces have become more and more difficult. This fact will affect the thinking, feelings, and lives of cadres and combatants as well as their dependents. Therefore, it will be more difficult and complicated to carry out party and political work. Nevertheless, owing to the fine nature and traditions of the People's Army, which has been trained and tested for 47 consecutive years, and thanks to the good experiences gained in 1990, the 1991 all-Army party and political work will help generate a new fighting strength for the entire Army.

Based on the above-mentioned facts and in the framework of the all-people party and political work, the following main orientations and tasks have been set forth for 1991 and subsequent years:

- Make every effort to fully understand and successfully implement the Seventh National Party Congress resolution; the Party Central Committee Military Commission resolution pertaining to national defense for the period from now until 1995; and Uncle Ho's concepts, ethics, and lifestyle.

- Strengthen party leadership over members of the Armed Forces and build the Army into a firm, strong, and pure military organization.

- Bring into full play the nature of the working class and the fine traditions of our people and Armed Forces and use these factors for enhancing the aggregate strength and militancy of the entire Army. In this way, there will exist conditions for our Armed Forces to always serve as a trustworthy mainstay for the party in the struggle to resolutely protect the party, the socialist regime, the people, and the fatherland's independence and sovereignty.

To this end, all party organizations and Army units must make every effort to provide effective guidance over the implementation of the key tasks for 1991 as specified under the Political General Department Directive on party and political work.

First of all, it is necessary to continue renovating and enhancing the militancy and efficiency of ideological work in order to firmly step up the party-initiated ideological campaign among members of the Armed Forces.

To this end, concentrated efforts are needed to foster and enhance the political knowledge and background of members of the Armed Forces as well as to ensure that everyone stays informed and achieves unanimity of mind with the Seventh Party Congress resolution. It is necessary to use education to make cadres and combatants heighten the determination to protect Marxism-Leninism, Uncle Ho's concepts, and socialist goals and ideals and consolidate their confidence in the party leadership.

At the same time, it is imperative to oppose indications of skepticism, heighten vigilance, and resolutely guard against all fallacious concepts and proganda themes spread by the enemy and reactionary and opportunistic forces.

We must strive to eliminate the enemy's efforts to promote political pluralism and liberal democracy, as well as their schemes to incite the people to oppose Marxism-Leninism, reject the party leadership and belittle the revolutionary gains which we spent decades and made countless sacrifices to achieve.

We must firmly grasp and creatively apply our party's and Uncle Ho's military concepts in building the all-people national defense. We must uphold the spirit of protecting national independence, maintaining self-sufficiency, and practicing thrift in national construction and defense while striving to oppose such phenomena as dogmatism, duplication, conservatism, and emancipation from reality. We must also strive to satisfactorily develop the fine character of Uncle Ho's soldiers, strictly observe discipline, strengthen internal unity, maintain close relations with the people, enhance the quality of all tasks, and stand ready for all assigned duties.

While carrying out the ideological task, we must strive to oppose such negativism as corruption, goods smuggling, militarism, special privileges, irresponsibility, and lack of discipline. To achieve this, we must strive to enhance accurate, prompt information service while promoting the building of progressive models.

The key tasks for party building work in 1991 include efforts to perfect the organizational system, consolidate the overall leadership mechanism of party organizations, enhance management and training of party members, and promote a close relationship with the people. We must also strive to overcome the phenomenon of belittling the party leadership role which will diminish our party's militancy and prestige. It is imperative for party organizations at various levels to make preparations and satisfactorily organize their congresses to contribute to the success of the upcoming Seventh CPV Congress and to make themselves prepared for implementing the congress resolutions. Party organizations must also strive to consolidate and perfect the party leadership over the Army while trying to improve the local military task, build firm and strong basic party organizations; strengthen party chapters especially those at management, financial, and national defense establishments; and improve control work over the implementation of party regulations by party organizations and members while promptly settling letters of complaint and denunciation lodged by the people. It is essential to mention here that disciplinary action against any person must be taken in a just, sensible manner.

The 1991 cadre-related tasks include efforts to improve the quality of the contingent of cadres at various echelons to suit the reorganization work. Local military agencies must strive to train local cadres recruited from ethnic minority people in their areas, improve and enhance the quality of training, management, and use of cadres, and promote domestic training of cadres including post-graduate training.

In 1991, besides implementing the promulgated policies, we must study and revise policies on social insurance, formulate essential policies to encourage the development of some technical, cultural, and artistic specialized sectors; improve the skills of professional workers; closely coordinate with localities to pay more attention to improving the Army rear service; strive to resolve war consequences in localities especially the treatment of wounded soldiers, renovating military cemetery, restoring commendation system, and searching for persons missing during the war.

While carrying out the party building and political tasks in 1991, we must strive to positively contribute to building the people-soldier unity, build strong and firm military units, firmly maintain social order and security in localities, foil the reactionary forces' activities to undermine the revolution, and effectively protect all revolutionary gains, thereby helping to advance the party renovation cause a step further.

Army Magazine Writers View Draft Strategy

BK2201163891 Hanoi Domestic Service in Vietnamese 2330 GMT 20 Jan 91

[Article by Van Hoe on ideas contributed by writers of TAP CHI VAN NGHE QUAN DOI, Army Literature and Art Magazine, to the draft strategy for socioeconomic stabilization and development to the year 2000]

[Summary] After studying and discussing the draft strategy for socioeconomic stabilization and development up to the year 2000, most of the writers of TAP CHI VAN NGHE QUAN DOI magazine were of the opinion that the strategy concretely presented the real situation and requirements of our nation in the new stage. But many suggested that the strategy should be called "a program" because its contents do not truly represent the nature of a strategy. "For instance, in part four, which deals with major policies and measures and is regarded as a turnkey part, the draft strategy presents only a general guideline without specifying certain policies and measures." As a result, many held that the draft is "a 10-year socioeconomic development program" rather than a strategy.

Discussing it part by part, many writers suggested that "in addition to the socioeconomic crisis mentioned in part one, issues concerning the state law and its implementation should be added to this part," and shortcomings in enforcing the law should also be raised.

In part two, which deals with development viewpoints and objectives, many writers suggested that other measures aimed at settling conflicts between individuals and collectives and between individuals and the community in order to make the people richer and the country stronger should be added to this part.

Studying the part dealing with the objectives of the strategy, most writers suggested that item 4 should be moved up to the first place because it stresses the significant role of science and technologies, education, and training in the new stage of development.

Regarding part four, many writers proposed that the draft strategy should clearly present key policies and measures for various pressing tasks. In formulating the policy on external economic relations, for instance, clear-cut measures aimed at improving the production of traditional goods for export should be stressed in order to expand the world market for our products.

Regarding the part dealing with the population, employment, and wages, many writers expressed concern about "Vietnam's population by the year 2000, which will reach 80 million. Some of them questioned the conditions of life at that period, but no one can provide a clear answer." The writers suggested that family planning programs must be seriously formulated and carried out to reduce population growth, especially in the rural areas.

Discussing the part dealing with culture, education, science, natural resources, and the environment, these writers suggested that President Ho Chi Minh's teaching should be added to this part—that is, "under all circumstances we must satisfactorily carry out the teaching and learning task" to produce a contingent of competent cadres, and the human strategy should be elaborated in this part.

Reviewing the last part, many writers suggested that Item 4, which deals with renovating the cadre-related task, should take the place of Item 1 because it specifies the significant strategic role of this task.

Army Contributes Views on Party Draft Documents

BK2001113491 Hanoi QUAN DOI NHAN DAN in Vietnamese 7 Jan 91 p 1

[Text] As of early January 1991 the Army had completed the campaign to contribute ideas to the Draft Platform on Socialist Construction for the Transition Period and the Draft Strategy of Socioeconomic Stabilization and Development Up to the Year 2000.

Upon receiving instructions from the Standing Committee of the Military Commission of the Communist Party of Vietnam [CPV] Central Committee and the Vietnam People's Army [VPA] General Political Department to discuss and contribute ideas to the party draft documents, various party committees of national defense agencies, military regions, armed branches and services, and military institutes and schools have disseminated these instructions to secretaries of party organizations and propaganda and training cadres and urged them to organize a campaign to solicit ideas from the entire Army to the party draft documents. The VPA General Political Department has provided extensive guidance to agencies concerned and assigned cadres to grassroots units to monitor implementation.

All agencies and grassroots units have provided favorable conditions for their cadres, combatants, party members, youth union members, workers, and national defense personnel to carefully study the party draft documents; urged them to uphold a sense of responsibility toward the party and the state; and encouraged them to contribute ideas to the draft documents in a democratic fashion and to file reports to the higher echelons.

Through their discussions, all cadres, combatants, party members, youth union members, workers, and national defense personnel have expressed an identity of views on the draft platform and draft strategy of socioeconomic stabilization and development. They have called on the party to enhance its leadership role in implementing the renovation cause and to creatively apply Marxism-Leninism and President Ho Chi Minh's moral concept to formulating lines and policies. Many units suggested that the party should supervise production development while striving to help strengthen state management, seriously deal with cadres and party members who have made mistakes, help to maintain order and social justice, consistently train and forge the younger generation and make them real socialist men, strengthen national defense, and pay more attention to improving the Army rear services and the daily life of honest citizens, especially peasants. Many other units suggested that the two draft documents should be simplified and condensed so that the entire party, Armed Forces, and the people may understand them easily, thereby being able to effectively discuss, contribute ideas, and implement them when adopted by the upcoming Seventh CPV Congress.

Moreover, various party organizations in the entire Army have also discussed and contributed ideas to the draft report on the party building task and on the draft documents on amendments to party regulations, in accordance with the fixed timetable.

Mai Chi Tho Hails Hanoi on Criminal Crackdown

BK2201031391 Hanoi Domestic Service in Vietnamese 1100 GMT 21 Jan 91

[Text] On 19 January, Comrade Interior Minister Mai Chi Tho sent a letter to the comrade chairman of the Hanoi People's Committee and the head of Steering Committee 135 of Hanoi City and the comrade director of the Hanoi People's Security Force, hailing the initial achievement of Hanoi City in cracking down on criminals in early 1991.

He expressed the hope that the city would further develop its achievements to constantly attack criminals and would combine oppressing and forgiveness, punishment and education, to create a clear improvement to security and order in Hanoi to help those living in the capital celebrate the new year joyfully and happily.

Ba Vi Forest Reserve Development Plan Approved

BK2001070491 Hanoi Domestic Service in Vietnamese 1100 GMT 18 Jan 91

[Text] The chairman of the Council of Ministers has signed Decision No. 17-CT dated 16 January 1991 establishing the National Ba Vi Forest Reserve in Hanoi and approving a technological-economic development project for this forest land.

The Council of Ministers has entrusted the Hanoi city people's committee and the Ministry of Forestry with the task of seeking measures to ensure effective implementation of this decision.

Coal, Electricity Output Increased in 1990

BK2101104491 Hanoi VNA in English 0705 GMT 21 Jan 91

[Text] Hanoi VNA January 21—Last year Vietnam mined 4,021,700 [metric] tons of clean coal and generated more than 8.7 billion kwh of electricity, up by 21.5 and 11.9 percent respectively over the previous year.

Of the coal output, 745,640 tons were exported. The hydroelectric power plants alone generated nearly 5.4 billion kwh. A number of new transmission cable lines such as the 220 kv Vinh-Dong Hoi line and the 110 kv Hue-Danang line were put into operation in 1990, improving the power supply situation in Central Vietnam and saving at least 17,000 tons of oil which were otherwise used for thermal power generation.

Diseases Damage Seedlings for Spring Rice

BK2201041891 Hanoi Domestic Service in Vietnamese 1430 GMT 21 Jan 91

[Text] According to the Ministry of Agriculture and Food Industry, by 15 January 1991, the winter-spring rice crop had been planted on more than 1.111 million hectares nationwide, reaching 51.49 percent of the plan.

The northern provinces planted only over 180,000 hectares, reaching 15 percent of the plan because the cold affected the pace of planting. The southern provinces planted 931,120 hectares, reaching 90.75 percent of the plan.

In the northern provinces, harmful diseases spread quickly on seedlings. Rice leaf roller spread quickly in the provinces of Thua Thien, Hue, Quang Binh, and Quang Tri. Rice blast harmed seedlings in Quang Binh, Hanoi, Ha Bac, and Hai Phong.

In the southern provinces, brown planthoppers damaged about 80,000 hectares in the Mekong River Delta, badly affecting 30,000. Rice leaf roller appeared in 18,000 hectares in the central provinces; in Quang Nam Da Nang alone 9,000 hectares were affected.

Australia

Bomb Explodes at Sydney Islamic Center

BK2401070691 Melbourne Overseas Service in English 0500 GMT 24 Jan 91

[Text] The New South Wales premier, Mr. Greiner, has deplored a bomb attack on an Islamic center in Sydney. Police say what appeared to have beeen a home-made bomb was thrown into the center in the suburb of (Mount Blewett), but there were no injuries and damage was minor.

Mr. Greiner said the incident could serve to inflame racist sentiments in the community arising from the Gulf crisis. Mr. (Ali Ruhd) of the New South Wales Islamic Council says although the incident is worrying for Muslims in Australia, he was sure such a behavior was rejected by the wider Australian community.

Tension Grips Australians

BK2401013091 Hong Kong AFP in English 2353 GMT 23 Jan 91

[Text] Sydney, Jan 24 (AFP)—A poll published here Thursday showed a majority of Australians supported their country's military involvement in the Gulf war.

The Saulwick poll published by THE SYDNEY MORNING HERALD and Melbourne AGE showed support had risen to 67 per cent on Wednesday from 56 per cent last month and 48 per cent in September.

This is despite weekend protest demonstrations attended by tens of thousands of Australians and which peace groups argued indicated growing opposition to Australia's deployment of three warships to the Gulf.

This week's poll of 800 people in Sydney and Melbourne showed 30 per cent of voters were opposed to Australia's involvement, down from 45 per cent in September and 41 per cent last month.

The poll coincides with reports of growing anti-Arab sentiment, reflected in a firebomb attack on a mosque in the Sydney suburb of Rooty Hill early Thursday.

Religious Minister Hassan Thanvi said a bottle containing flammable liquid was thrown inside the building before dawn, smashing windows, burning carpets and filling the mosque with smoke. The attack came days after windows at the mosque were smashed by vandals.

He said the Moslem community was scared, particularly women whose veils had been ripped from their faces and who had been abused in the streets, but it understood the tension gripping other Australians.

Campaign Launched To Counter Antiwar Movement

BK2401102791 Hong Kong AFP in English 0954 GMT 24 Jan 91

[Text] Sydney, Jan 24 (AFP)—Hundreds of supporters launched a campaign Thursday to counter the anti-war movement as a poll was published Thursday showing a substantial majority of Australians behind the government's commitment to the Gulf war.

Campaign organisers said demonstrations in Sydney and Canberra were intended to revive patriotism across the nation.

A procession of about 100 people which started marching from Sydney town hall swelled to more than 300 before it reached a rallying point a few blocks away, applauded for most of the route by shoppers and lunchers.

The marchers carried banners which read "we are proud of Australian armed services in the Gulf", "hang the Bahgdad butcher" and "We support the United Nations' stand".

Organiser Peter Cochran, an MP [member of Parliament] in the New South Wales state parliament, said he believed the silent majority supported the decision to send forces against Iraqi President Saddam Husayn.

"I don't believe patriotism is dead in this country, it just needs a little resurgence," Mr. Cochran said.

In Canberra, almost 200 pro-Israel supporters chanted and sang songs of peace in Hebrew in one of the few demonstrations held outside the Iraqi Embassy since the Gulf war erupted.

The rally was organised by the Jewish Youth for Peace group in response to demonstrations by tens of thousands of anti-war campaigners in most Australian state capitals last weekend.

The rally called on Iraq to stop attacking Israel and to withdraw from Kuwait.

Some waved placards during the peaceful demonstration with slogans including: "Jews won't be gassed again".

The acting president of the Executive Council of Australian Jewry Gerry Levy told the rally the Jewish community was hurt that the peace movement had concentrated on Israeli and U.S. Consulates instead of the Iraqi Embassy.

Meantime, the Saulwick poll in the SYDNEY MORNING HERALD and THE MELBOURNE AGE showed support for Australia's involvement in the war had risen to 67 per cent this week from 56 per cent last month and 48 per cent in September.

The poll also showed 30 per cent of voters were opposed to Australia's involvement, down from 45 per cent in September and 41 per cent last month.

New Zealand

Credit Rating for Long-Term Debt Downgraded

BK2301022491 Hong Kong AFP in English 0127 GMT 23 Jan 91

[Text] Wellington, Jan 23 (AFP)—New Zealand's credit standing for long-term debt was cut Wednesday from AA to AA-minus by the New York rating agency Standard and Poor's [S and P] Corp.

The agency, while keeping its short-term rating at A-1-plus, said the drop reflected New Zealand's large current account deficit, a heavy foreign debt burden and protracted external adjustments.

The drop had been expected although Finance Minister Ruth Richardson flew to New York over the weekend in an attempt to convince the agency not to drop the rating.

In a statement here, she blamed the former Labour government for the drop. Labour lost power in October.

"This is Labour's rating and reflects the serious deterioration of the economy that emerged under the previous administration," she said.

She said the downgrading highlighted the need for a deficit- cutting move announced in December to reduce the fiscal deficit.

She predicted little market reaction to the announcement, as many investors had already been working from Moody's lower current rating of the New Zealand economy.

Early market reaction saw wholesale interest rates fall quickly as traders took comfort that the long-anticipated downgrading was not steeper.

The Kiwi dollar held all recent gains and benchmark five-year bond rates were traded at yields as low 11.99 per cent, before settling by noon on quotes of 12.05 per cent, their lowest level for weeks.

Yields on key 90-day bank bills went down to 12.2 per cent before settling on quotes of 12.30, comparable with their level early in the day.

S and P's statement released in New York said New Zealand had a small export base of low value-added agricultural and forestry products and a weak external payments position that made it quite vulnerable to adverse international developments and limited policy flexibility.

S and P said New Zealand's domestic adjustments had been hampered by the protectionist agricultural policies of some of New Zealand's main trading partners, which limit export volume growth and depress the terms of trade. It said that as a result, the current account deficit had risen sharply since 1989 and was expected to reach nearly seven per cent of Gross Domestic Product in the year to June 31.

S and P said the government's December measures should enhance New Zealand's economic and financial flexibility by restoring fiscal balance, strengthening overseas competitiveness and fostering growth of non-traditional exports.

Papua New Guinea

Government, Bougainville Rebels Sign Peace Accord

BK2401035091 Hong Kong AFP in English 0330 GMT 24 Jan 91

[Text] Honiara, Jan 24 (AFP)—In a dramatic breakthrough, the Papua New Guinea Government and secessionist rebels on Bougainville island have declared peace and signed an accord here following two days of intensive peace talks, officials said.

Port Moresby's chief negotiator Foreign Minister Michael Somare and Bougainville leader Joseph Kabui late Wednesday signed the Honiara Declaration of Peace aimed at ending the bitter battle that has claimed more than 100 lives.

In the agreement, Port Moresby has agreed not to send security forces to Bougainville and the Bougainville Revolutionary Army (BRA) has agreed to lay down its arms to members of a multi- national supervisory team.

In the declaration presented at a press conference, both sides said they wanted peace and reconciliation and would take a joint undertaking not to use arms. They also agreed to defer discussions on the future political status of Bougainville.

Bougainville was the scene of a 16-month secessionist war which claimed more than 80 lives before Port Moresby withdrew its security forces in March. About 20 more deaths were recorded when Port Moresby retook Buka island off Bougainville in September.

The war's origins trace to landowners seeking compensation against a giant copper mine on Bougainville.

Further Details on Agreement

BK2401061491 Hong Kong AFP in English 0545 GMT 24 Jan 91

[By Johnson Honimae]

[Text] Honiara, Jan 24 (AFP)—A peace treaty signed here has ended Papua New Guinea's war with secessionist rebels on Bougainville island after two years and more than 100 dead. In a dramatic breakthrough, the Papua New Guinea Government and a team from Bougainville island signed the Honiara Declaration of Peace late Wednesday following two days of intensive talks.

To resounding cheers, Port Moresby's chief negotiator Foreign Minister Michael Somare and Bougainville leader Joseph Kabui shook hands and embraced after signing the document, which allows for a multi-national task force to supervise the surrender of weapons by Bougainville militants.

Sir Michael later said in a statement to a gathering of officials, media and others: "We have signed a very important historical document which will go down in the history of our country."

Port Moresby will withold security forces from Bougainville while restoring services which were suspended in May when the Bougainville Revolutionary Army (BRA) declared independence. Both sides agreed to defer discussions on the political status of Bougainville, which was the scene of a bloody secessionist war which claimed more than 80 lives.

Port Moresby pulled its forces out after a tenuous truce in March. About 20 more deaths were recorded when Port Moresby retook BRA-held Buka island off Bougainville in September.

The war's origins trace to landowners seeking compensation against the giant Australia-run copper mine on Bougainville.

Sir Michael said the past two years had been frustrating for the South Pacific country which gained independence from Australian administration in 1975.

"Tears have been shed, blood has been spilt," he said. "If we had put our pride aside at the time, we could have sorted out this problem. This is history now and we must put this behind us and make a new start. I think we have created a trust, created a confidence amongst our two groups today," Sir Michael said.

In his speech, Mr. Kabui said: "The declaration has written a new chapter for Melanesian countries and the rest of the world.

"We came here to sign a peace pact and I feel we have achieved this. The task is now for both parties to honour their part and I believe learning from experiences the Honiara accord is going to last," Mr. Kabui said.

Both leaders thanked the government of the Solomon Islands for providing the venue of the peace talks, the second dialogue between the two sides.

The first talks, held aboard New Zealand warship HMNZS [Her Majesty's New Zealand Ship] Endeavour in July and August, resulted in the Endeavour Accord which failed to solve the crisis which has devastated Papua New Guinea economy.

Officials said the multi-national supervisory team is expected to comprise police and military personnel from Australia, New Zealand, Canada, Fiji, Vanuatu and the Solomons.

The restoration of services was expected to take 36 months, they said.

Under the declaration both sides have undertaken certain responsibilities. The BRA would surrender its arms while Port Moresby would release all detainees held as a consequence of the conflict, grant amnesty and immunity to all BRA members, commit funds to the restoration program and resume all government services.

Both sides would guarantee the safety of the foreign supervisors and review at least at six monthly intervals the restoration program.

Foreign Minister Comments

BK2401072691 Melbourne Overseas Service in English 0700 GMT 24 Jan 91

[Text] There has been a dramatic breakthrough in talks in the Solomon Islands between the Papua New Guinea Government and representatives of the Bougainville Island's secessionist movement. Papua New Guinea's foreign minister and chief negotiator at the talks, Sir Michael Somare, says he and the secessionist leader, Mr. Joseph Kabui, have signed, what he has called, the Honiara Declaration on Peace, Reconciliation, and Rehabilitation.

The declaration was signed to end the Bougainville uprising which has claimed more than 100 lives. It was announced at a joint news conference given by Sir Michael and Mr. Kabui after two days of talks in Solomon Islands. In the accord, Port Moresby has agreed not to send security forces to Bougainville and the Bougainville Revolutionary Army has agreed to surrender its arms to members of the multinational supervisory team.

Sir Michael told Radio Australia's Port Moresby Office that his government was appointing the provincial affairs minister and member for North Solomons Province, Father John Momis, to coordinate the restoration of services to the blockaded island. Sir Michael said he had given an undertaking on behalf of the Papua New Guinea Government that it would have the first chartered flight going to Arawa tomorrow. He said a task force was being appointed to work with Father Momis and suggested that the restoration of services be undertaken by a neutral body. He also said that there could be a gradual withdrawal of government forces from Buka Island.

The Australian Government has welcomed news of the peace accord, describing it as an encouraging development in a search for a peaceful solution to the Bougainville conflict.